

## NEWS SUMMARY

### Police large lypso rters

Hill police station was in a state of alarm last night as a mob of about 100 people gathered outside. The police were alerted by a telephone call from a young man who said he had a gun. The police were alerted by a telephone call from a young man who said he had a gun. The police were alerted by a telephone call from a young man who said he had a gun.

### French franc rises strongly

● FRENCH FRANC rose more than four centimes against the dollar in Paris, to Frs4.9075. Since the appointment of M. Raymond Barre as Prime Minister on Thursday the franc has improved by almost 2 per cent. Page 4

### WALL STREET closed 4.99

● WALL STREET closed 4.99 up at 968.92.

### U.S. MACHINE tool order

● U.S. MACHINE tool order rose 6.2 per cent in July to \$182.9m, nearly double the figure for the same month in 1975.

### SOVIET-U.S. trade should

● SOVIET-U.S. trade should reach a record \$2.6bn this year, according to the U.S. Commerce Department. The increase, about 23 per cent, above last year's high, will reflect rising Soviet imports, mostly of agricultural products.

### JAPAN'S colour television

● JAPAN'S colour television exports in July were a record 530,680 compared with 439,700 in June, said the Electronic Industries Association of Japan. Production was also a record at 977,000.

### VENEZUELAN Government

● VENEZUELAN Government has ruled that a group of foreign oil companies—mostly from the U.S.—owes it more than \$512m in back taxes due in their interpretation of tax law in 1970.

### Rolls-Royce offers Boeing

● ROLLS-ROYCE (1971) has proposed a variant RB-211 engine suitable for powering any Boeing two-engine short-to-medium range jetliner. The U.S. company is considering whether to develop a twin or a three-engine plane for the 1980s. Back Page

### BRITISH LEYLAND rectification

● BRITISH LEYLAND rectification engineers at Longbridge, Birmingham, disregarded a union return-to-work call and voted to continue their strike which has halted all Mini and Allegro production. All Jaguar output was lost due to a 24-hour strike by paint shop workers in Coventry. Page 8

### SERIES OF City and academic

● SERIES OF City and academic economic forecasts are pessimistic over the balance of payments, inflation and unemployment. Page 4

### ALLIED TEXTILES, one of

● ALLIED TEXTILES, one of the U.K.'s leading wool textile concerns, has begun major export drives into Germany and the U.S. Page 4

### RENNICK GROUP has

● RENNIC GROUP has eliminated or significantly reduced loss-making operations and has been trading profitably since the beginning of the financial year, says the chairman. Page 12

### G. M. FIRTH chairman

● G. M. FIRTH chairman forecasts a substantial recovery in both sales and profit during the current year. Page 12

### TOYOTA MOTOR Company

● TOYOTA MOTOR Company after-tax profit for the year to June 30 rose to Yen 90,500m (€182m) compared with Yen 55,880m in the previous seven months. A Yen 100bn increase in sales in Yen 2,100bn (€4,050m) is planned for the current year. Page 13

### ABERCOM, the South African

● ABERCOM, the South African holding company, has had its 1976 accounts qualified by its auditors because of its failure to make a provision for deferred taxation. Page 17

### U.S. STEEL has withdrawn

● U.S. STEEL has withdrawn its 4.5 per cent price increase planned for October 1 due to "competitive factors." Page 4

### EAST AFRICAN Railways

● EAST AFRICAN Railways Corporation, now disintegrating, still owes £5m to the Crown Agents. Mr. Patrick Mwangi, Kenya regional manager, said Kenya has agreed to pay 48 per cent, Tanzania 37 per cent and Uganda 15 per cent.

## Drought emergency continues after week-end rain

BY MICHAEL THOMPSON-NOEL

In spite of the Bank Holiday rain, all emergency arrangements for the drought are to be maintained. Over the week-end, there were squalls, storms and floods in some areas.

The National Water Council, the advisory body for Britain's water authorities, said last night: "Welcome though it is, the rain will have no short-term effect on the drought and no long-term impact on the water table."

The Government is still preparing emergency programmes involving temporary pipelines, the use of road tankers to move water around, the opening of normally uneconomic sources and the deepening of existing boreholes.

Mr. Denis Howell, the drought Minister, who will be touring the West Country to report to the Cabinet's Drought Committee tomorrow on these measures.

Yesterday's rain — up to two inches in parts — produced floods in East Anglia and the South-West. Bracknell weather Centre said: "We have returned to the more traditional British westerly system. There will probably be changeable weather with rain in many places for the next few days."

But the National Water Council said the drought situation was unaffected. "The rain may provide a temporary boost to some rivers and reservoirs, but it will have no impact on the water table. Some reservoirs may be topped up, but that will be done in half a day or less."

Mr. Howell said yesterday: "It has to rain from now until Christmas to make sure we are all right next year."

The CBI said at the week-end that major companies in South-East Wales had written to the organisation detailing their problems if supplies are cut by half. The first such cuts are expected to start tomorrow.

In the Southern Trent Water Authority area, which includes Birmingham, Bristol, Nottingham and Leicester, industrialists will be warned today that they could face water cuts which might affect the car industry.

Representatives of the Department of Industry, the CBI and the National Farmers Union will be among those attending a water economy meeting, called by the authority in Warwickshire today.

Mr. Donald Reeve, the authority's director of operations, said yesterday that unless consumption was cut radically, water rationing would be introduced in Wales, could be imposed in the near future. The position in the area remained critical. In Derbyshire, for example, 13 inches of rain were needed before December to avoid difficulties.

In Birmingham, according to Mr. Howell, six-eight inches of rain would have to soak the ground before water began flowing into reservoirs, while the Thames Water Authority said: "Some useful rain is going into the Thames west of Oxford but it will all come out at Oxford. Our situation is exactly as before."

In its monthly monitor, stockbrokers Wood, Mackenzie estimates that the drought will add a further 2 per cent to the Retail Price Index by the end of 1977. "This will be sufficient to undermine the Government's current incomes policy, despite the promise which is given in wage negotiations to the importance of food prices." The forecast 2 per cent increase to the RPI also, for expected devaluation of the "green pound."

## Cabinet faces the cost

BY PETER HENNESSY, LOBBY CORRESPONDENT

The Government strategy for dealing with the drought, which took shape at the end of last week, will involve the Cabinet in a series of decisions between now and next summer when Ministers will have to decide if costly, new capital programmes are needed to secure the country's water supplies.

Continued on Back Page Britain's thirsty industry. Page 11

## Methil oil platform yard closure to end 1,200 jobs

BY QUENTIN GUIRDHAM

REDPATH DORMAN Long (North Sea), the oil platform construction subsidiary of British Steel Corporation, plans to dismiss all but 100 of the 1,350 workers at its Methil, Fife, yard by next February.

Earlier this year the company warned of substantial redundancies in November. It had been hoped, however, that even without a major platform order, sufficient jacket and deck structure work could be found to maintain the yard at perhaps half capacity.

RDL has now proposed that instead of part of the workforce being maintained in full employment will be kept, but only until mid-February when the yard will be closed. A care and maintenance staff could be as few as 30 or, if minor orders are accepted, up to 100.

Officials of the Amalgamated Union of Engineering Workers and the Boilermakers Amalgamation will today have talks with the workers, who have initially rejected redundancy proposals. The mothballing of the Methil yard would be the second major casualty of the two-year lull in platform orders for British yards, following the 1,500 redundancies at the Lough Offshore plant at Hartlepool, Cleveland. There, redundancy pay averaged £2,000 a man. It is thought that work contracts at RDL do not allow for redundancy payments as large as that.

Negotiations between management and unions at Methil have centred on both severance pay-

## Government curbs spending rise

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

GOVERNMENT policy decisions between April and the end of July appear to have increased public spending in 1976-77 by a maximum of about £100m.

This underlines the official determination to ensure that policy changes do not push the public expenditure beyond the original White Paper targets, as has occurred in recent years, though there may still be strong political pressures for additional spending on, for example, job creation during the rest of the current financial year.

Moreover, Whitehall officials are facing a continuing battle to ensure that local authority current spending remains below a specific target.

The total additional public spending in 1976-77, outlined since the last Expenditure White Paper was agreed in January, is now probably just over £500m. Changes amounting to £418m, for 1976-77 at current prices and between January and the end of April, were revealed by the Treasury in a memorandum sent to the Expenditure Committee White Paper.

The contingency reserve is quite separate from the cash limits system of control over spending in money terms, rather than just volume terms, which may soon be heated by a higher than anticipated rate of inflation.

When the July economic package was announced, it was emphasised in Whitehall that the contingency reserve is now being treated not just as an incidental statistic but as a specific measure of control over spending. Nevertheless, there could be a number of large calls on the reserve before the end of the financial year, apart from the aid for school leavers already announced. Thus there may be spending on new industrial aid and on capital investment for the aerospace and ship-building industries when they are nationalised. The drought could also mean additional spending, while, if unemployment remains high, there will be considerable pressure for another in the series of job creation packages.

### Confident

But yesterday Mr. George Mackenzie, the Minister of State with responsibility for Scotland, said that there was bound to be a period of redundancy for oil rig workers. He was talking after a visit to the Burntisland Fabricators plant, also in Fife, where modules for rigs are made and where nearly 150 redundancies from the 550-strong workforce have been given.

The oil companies' reluctance to place orders did not mean they had changed their attitude to the North Sea, said Mr. Mackenzie. "They are as confident as ever."

### Contingency reserve

Although some of the likely total of just over £500m, since January will offset changes in estimates on existing programmes, the bulk represents calls against the contingency reserve. This stands at £875m.

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## Dublin awaits terror decision

From Kevin Done in Dublin

THE Fianna Fail opposition party is expected to withhold its final decision on whether to back the Government's controversial motion calling for a declaration of a national emergency until after the Government has presented its case to the Oireachtas (the Upper and Lower Houses of Parliament) today.

The Opposition Front Bench held discussions yesterday and there will be a meeting of the full Parliamentary party today. It appears that Fianna Fail is prepared to challenge the emergency motion unless the Government is able to furnish ample proof that it is necessary for the internal security of the Republic.

Fianna Fail is not expected to find any major issue of principle in the Emergency Powers Bill and Criminal Law Bill. But it is expected to bring under close scrutiny such proposed items as granting the army similar powers of search and arrest as the Garda and raising from seven to ten years the maximum term of imprisonment for membership of an "unlawful organisation."

## Incendiary

On the latter proposal, Fianna Fail may argue that the present maximum of two years is not being used by the courts, which have tended to impose sentences ranging between six and 12 months.

Last night a wave of firebomb attacks was directed at four pubs, three cinemas and two houses in the city centre area. Nobody has claimed responsibility for the attacks, but suspicion was growing last night that they may have been carried out by Loyalists. Similar suspicions were aroused in 1972, when the bombings, in which one man was killed, were instrumental in creating a climate conducive to passing new anti-terrorist legislation.

A report on the bombings will be presented to the Irish Cabinet today by Mr. Patrick Conboy, the Justice Minister, before the Oireachtas begins emergency sessions. The incendiary devices used in the bombings are about the size of a packet of 20 cigarettes and can be disguised as a parcel. The attacks followed a warning from the Garda to publishers in Eire about the "cost bomb" device being developed by terrorists in Northern Ireland.

The first business today is the Dail (Lower House) to-day is a resolution from Mr. Liam Cosgrave, Prime Minister, declaring that the national emergency created by the conflict at the outbreak of the Second World War has now ceased to exist. Technically this state of emergency has never been repealed.

Mr. Mackenzie denied that the Government had allowed the setting up of any major oil rig construction yards. "We had to be ready to take what opportunities were available; we were perhaps a bit slow off the mark, but now we have the sites available."

Companies engaged in platform construction are hoping for one major order, possibly from Conoco, before the end of this year. But this order cannot change a deteriorating situation for other yards beside Methil and Grange.

Apart from the Hunterdon and Portavadie yards which have never won a contract, orders for in Highland Fabricators yard at Nigg Bay, Highland, Doris Loch Fishery, BrAlpine Sea Tank (Ardyne Point) and McDermott (Ardersier) are not thought to provide work beyond mid-1977.

At least two of these, Highland Fabricators and BrAlpine, are trying to diversify into fields such as bridge-building and large construction.

## Kissinger to meet Vorster at week-end

BY JOHN STEWART CAPE TOWN, August 30.

THE SOUTH African Prime Minister, Mr. John Vorster, and Dr. Henry Kissinger, the U.S. Secretary of State, are to meet in Zurich at the weekend for another round of talks on the southern African situation, the Ministry of Information announced in Pretoria tonight, as the violence in the Republic continued. The talks will open on Saturday and continue until Monday.

Mr. Vorster will be accompanied by Dr. Hilgard Muller, his Foreign Minister, Mr. R. F. Botha, the South African Ambassador in Washington, and Mr. Brand Fourie, Secretary of the Foreign Affairs, who also attended the first Vorster-Kissinger meeting in Germany last June.

Since that meeting events in southern Africa have moved swiftly. For Mr. Vorster's opponents at home and abroad have been largely adverse. Urban African unrest, which erupted a few days before the initial Vorster-Kissinger meeting, has since spread to most parts of South Africa, resulting in the deaths of more than 300 people, thousands of injuries and the arrest of more than 1,800 persons, of whom an estimated 170 are held under the country's security laws, allowing detention without trial.

This week-end six blacks were killed in the township of Soweto, two of them by police bullets, the authorities said. The police said that when riot squads attempted to break up fighting between groups of blacks, the crowd turned and started stoning the police.

In Port Elizabeth workers have been urged to stay at home in a similar protest in the one which sparked off renewed riots in Soweto last week, and deprived Johannesburg companies of up to 50 per cent of their labour force.

Unrest spread to coloured teaching institutions in the Western Cape today, as students burst into a lecture room and started shouting slogans. Professor Dick van der Ross, who had been warning them to return to their lectures.

While Dr. Kissinger is likely to raise the internal situation in South Africa, the main items on the agenda will undoubtedly be Rhodesia and Namibia. There is no clear indication of likely progress on Rhodesia. The conflict there has spread in three fronts, and it is evident that the Rhodesian economy is now more reliant on South Africa than at any time since 1963.

South African relations with leaders of the Rhodesian "frontline states" of Zambia, Tanzania, Mozambique and Botswana have changed from warm cordiality to hostility. Mr. Vorster's most treasured black African entente, with Zambia, lies in ruins and President Kaunda has called for open war on the white south.

Even the South African Government's most promising diplomatic initiative in the past 13 years—to co-opt its National Party supporters in Namibia (South West Africa) to agree to a multi-racial Government in a unitary state where whites are outnumbered eight to one by blacks—has apparently failed to attract the support of Britain and the U.S. Its Governments insist that Namibia cannot succeed because it does not take into account the aspirations and claims of the South West African people's organisation (Swapo).

It is expected that Dr. Kissinger will explore with Mr. Vorster the possibility of putting the South West Africa constitutional proposals to Swapo at a meeting sponsored by the United Nations.

Eight African members of the Rhodesian African National Council, found guilty of terrorism and sabotage in the Salisbury area, were sentenced to death in a special court yesterday. Tony Hawkins reports.

The eight men were found guilty of throwing a grenade into a Salisbury restaurant and detonating a grenade outside a nightclub, as well as trying to derail trains by placing explosives on the railway near Salisbury.

It is reported from Washington that Dr. Kissinger may make a second trip to Africa next month, depending on the outcome of his talks with Mr. Vorster.

Two U.S. State Department envoys, Mr. William Schaefele and Mr. William Rogers, have visited black African states in the past week.

Our Dar-es-Salaam correspondent writes: Mr. Ted Rowlands, Minister of State at the Foreign Office, responsible for African Affairs, today met President Julius Nyerere for 80 minutes.

He said President Nyerere had assured him that he believed Britain was alongside Africa in trying to find a solution to the Namibian and Rhodesian problems.

Mr. Sean MacBride, the UN High Commissioner for Namibia, today warned the U.S. that if it supported tribal groupings in Namibia it could lead to an Angola-style civil war in the territory. Mr. MacBride told a Press conference here: "I have explained to United States representatives the danger of their giving direct or indirect support to the so-called ethnic representatives who have been meeting in Windhoek."

OAU backs Cuban aid. Page 4



## Smooth and soda.

Dewar's, Blended for smoothness - it never varies.

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LOMBARD

# Why the Franc is weak

BY RUPERT CORNWELL

THE LATEST fall from grace of the franc has prompted a good deal of agonising on the other side of the channel about whether there is not a "French sickness" — some permanent weakness that forever prevents the currency from joining the select few in the strong camp dominated by the Deutsche Mark. France after all has over-performed economically every one in Europe over the past decade, yet the franc has only appreciated against the pound and the lira. Against the mark it has halved in value over the 18 years of the Fifth Republic.

Of course there is no shortage of immediate reasons for the heavy exchange market pressure of this summer: inflation both actual and anticipated, rapidly rising wages, political doubts that induced the rich to shift their money into the streets and more recently into that ultimate bastion of capitalism, the U.S. Then there is the drought, now starting to scorch sterling.

## 'Yes, but...'

But let us dig a little deeper. Even when the franc was strong, ask any banker about its prospects and he would tell you: "Yes, but..." Pressed for a clearer explanation, the chances were he would mumble about students in the streets and the violence of change when it does happen in Europe's most conservative nation. This instinctive hesitancy in turn reflects a deeper truth, to be summed up in the two French words "congrus" and "et" that for the first time in years evince glances are being cast at Britain and the Labour Government's wages policy, which seems to embody a sense of collective discipline that the French cannot match. Just why may perhaps be gathered from a little-noticed study published by the OECD on income distribution in the Western world.

The data inevitably is mostly two or three years old, but it suggests the picture has greatly changed since. And its most striking showing is that of all the industrialised countries, France is the one where social inequality is greatest. The ratio between the slice of the national income cake that goes to the best off 20 per cent. and the crumbs that fall to the poorest 20 per cent. is over eleven, 47.1

per cent. compared with 4.2 per cent. Close on France's heels come Spain and Italy, further if indirect proof that a prominent reason for the survival of strong Communist parties in Catholic southern Europe is that region's relative lack of social progress. The U.K. with a ratio of 6.4 is in the middle of the league table — at least partially giving the lie to the notion that powerful unions and heavy direct taxation have destroyed wealth, although the trend seems towards an evening out of incomes distribution. The predictable winners are those much admired social democracies of northern Europe — Norway, Sweden and most egalitarian of all, Holland, where the ratio is only four. The poorest fifth of the Dutch get 9.1 per cent. of the cake, a share more than twice as big as that of their French counterparts.

## Tax system

All of which, I think, points to just how difficult a ride the French Government will have over the next few years. Up till now the lid has been kept on by precisely that high annual growth rate, which by giving everyone a share stopped undue attention being paid to whether the gap between rich and poor was closing. By the same token, pressure for a reform of the principal villain of the piece, the tax system, could be contained — even though its reliance on indirect taxation meant it bore heavily on the lower paid, obliged to devote a larger slice of their income to consumption. But every sign is that the national cake will grow much more slowly over the remainder of the decade, and that its distribution will become increasingly scrutinised. Social inequality surely is the root cause of "French sickness" — its administrators have to remedy, before the incomes and prices restraint everyone is preaching can be achieved. President Giscard d'Estaing knows this full well, and his goal of "governing from the centre" only puts the same point another way. It may be that the "two Frances" are already too far apart to be rewelded, even if the Government changes are a last attempt to change things before the 1978 elections. If he fails, the way is open for the Socialist-Communist union of the left to take power. In all probability then, that old maxim of foreign bankers and others, that nothing ever changes in France except by revolution, will once again be proved correct.

FILM AND VIDEO

# The creative skills v. technical competence

BY JOHN CHITTOCK

A NEW law, in the traditions of Parkinson and the Peter Principle, can now be postulated for the audio-visual media: the success of a film or television production is inversely proportional to the amount of technical breakdown — the failure is not so much a result of technical breakdown — the contrary, the sheer mastery of the technology induces a spirit of confidence and complacency which causes creative skills to be ignored.

Still photography as a commercial tool undoubtedly must head the list of such failures. It is not merely the photographers themselves who too often are camera technicians instead of communicators, but their clients as well, whose approach to the medium is superficial and even negligent.

A good publicity photograph, intelligently distributed, can provide for a company a spearhead in its marketing or public relations campaigns. Successful examples are mostly found in the consumer product industries where the lessons have been learned the hard way. What chances would a new marque of motor car, or a spectacular variety of hybrid tea-rose, have without high quality photographs appearing in the week-end newspapers and monthly magazines? But many products, like television sets and washing machines, have little visual uniqueness to distinguish them — and this is the problem confronting the manufacturer of industrial or technical products. In such circumstances, only the brilliance of the photographer can create interest in a dull subject. Which is where the trouble begins.

An outstanding commercial photographer will charge in the region of £200 a day for his or her services. Since everybody thinks that it is easy to take a photograph — you just point the camera and click the shutter — which fool company is going to pay someone £200 a day to do the job? In consequence, editors and journalists are infatuated with a daily flow of impracticable pictures — often taken by a man who happens to be available locally and usually does most of the weddings and christenings. Yet the same

clients are often turning over quite large advertising budgets and frequently use major advertising agencies.

## Poor quality

Troubles continue not only with poor quality prints and inappropriate sizes for reproduction (too small, or so big as to create problems for all who handle them), but with the ultimate sin of inadequate captions or no captions at all. In a busy office, the latter failure loses all chance of proper credit for a photograph if it is filed and used at a much later date.

In the audio-visual business itself, many companies are unexpectedly hopeless in their own use of the media. In the U.K., for example, publicity photographs from the Japanese television and video companies are bad — the failure often originating at the British end. On the other hand, Continental manufacturers in the film, television and photographic industries invariably seem to issue crisp, interesting pictures with detailed captions. At least one giant electronics corporation in the U.S., however, persists in sending the audio-visual Press second generation photographs — copies of copies — so that how- ever outstanding the photographer's work, its quality is ruined.

When companies come to sponsoring films, again the audio-visual industry itself has been an uninspired user of its own media. Excellence in sponsored films begins with an adequate budget (not necessarily an inflated budget), and depends on a clear briefing, maximum co-operation from the sponsor, confidence in the filmmaker and adherence to the brief once committed to it. Yet since the excellence of a film will ultimately rest in the hands of the people who make it, the selection of the production company or filmmaker is probably the most important single factor of all.

There is no easy route in this process. The filmmaker with a mantle-piece full of festival awards is not necessarily the best. And even if a screening of films impresses, the final choice requires all the subtlety and insight of a marriage counsellor.

## Unproven

In consequence, there is a dangerous temptation for sponsors to bring their own unproven talents into the studio, frequently with disastrous results. Independent creative talent in video production is not so readily available as in the film industry — which has a surplus of freelance producers, directors and writers — but with effort it can be hired in, and foolish is the sponsor who tries to save this cost.

Curiously, slide production seems to suffer less from the miseries of creative failure compared to film, video and still. It has emerged a realisation that the successful slide programme is a wholly visual experience — and rejection of a dull slide in a programme comes easily; but bad camerawork in a film may be overlooked while the sponsor grapples with nuances of meaning in the commentary.

The root of the problem is what has been called visual illiteracy. Moving pictures have been with us for barely 80 years, still photography under 140 years — against a few millennia of verbal communication. Regrettably old habits die hard and the creation of new cultures is a slow process.

CRICKET: THE PRUDENTIAL TROPHY

BY TREVOR BAIL

# Rain postpones third match after Randall shines at Lord's

ALTHOUGH THE West Indies had won the Prudential Trophy, a large crowd braved the threat of rain and turned up at Lord's on Monday to witness the third match of the tournament. At 2.45 p.m. on Bank Holiday Monday, play was abandoned without a ball being bowled, and the third match will now take place to-day.

On the rain-shortened Saturday of the second Prudential International at Lord's, the West Indies once again out-gunned and out-classed England, with Richards demonstrating his partiality for the home bowlers and Roberts causing havoc among the home batsmen. Having put the tourists in Tony Greig must have been reasonably pleased to have bowled them out for 221 in 47 overs, in spite of another brilliant innings of 97 by the instable Richards, and a century from Frederick and Greenidge, and a brief flourish from Clive Lloyd. The fielding was above the English average, and the bowlers tidy, with Underwood proving the most effective.

## Forgivable loss

As expected, the West Indies won on Sunday, to go 2-0 up in the mini-tournament, but not before Randall, with help from Knott and Jackman, had played a most impressive innings of 88. Here was another young player, who might have been given his opportunity earlier, and what has been learnt in the Prudential matches at Lord's and Lord's? A very fast bowler, very good in the limited-over game, of limited-over cricket, Gooch gave more than a hint of his undoubted promise. Even there, there is a world of difference between batting for a duration of one's stay — a creature is artificially confined and batting in test matches, in limited-over games, must take chances, and the of one's wicket through an ambitious stroke is far from what it might not be in a day Test. It follows that the formances of this trio of players against the pace bowlers of the West Indies have relevance to their chances of success or failure against spin in India this winter, and I fancy that two, possibly three, will be needed to Lillie and Thompson here summer. They certainly proved the standard of the Lord's fielding.

TENNIS

BY JOHN BARRETT

# Tough Mrs. King clinches win

FOR THE fifth time in its 14-year history, the Federation Cup has been won by the United States women's tennis team which took the first prize of \$40,000 under the new sponsorship of Colgate Palmolive.

It was appropriate in this bicentennial year that in Sunday's final at the giant Spectrum Stadium here in Philadelphia, Billie Jean King, who was in the winning U.S. team at the inaugural meeting in London in 1962, should have been the architect of the close and exciting 2-1 victory over Australia.

In the absence of Chris Evert, whose tendon injury in her right hand must threaten her defence of the U.S. Open title at Forest Hills, New York, this week, Mrs. King was supported throughout the week by the diminutive Rosemary Casals. These two last played in this event together in 1967, and their absence has largely been responsible for the dominance of Australia which has won five times since then and seven times in all.

The week was marred by the politically-motivated withdrawals of the holders Czechoslovakia, which with Hungary and the Philippines, followed Russia's lead in pulling out after the start of the event in protest at the presence of teams from South Africa and Rhodesia. Retribution from the International Lawn Tennis Federation, under whose aegis the Federation Cup is organised, came swiftly. The British president of the ILTF, Mr. Derek Hardwick, announced here yesterday that Russia, Czechoslovakia and Hungary are being fined \$10,000 each, and that the Philippines, which pulled out in the main event, be scratched from the plate. Will have to pay \$2,500.

Under a new rule passed in July, all four nations will automatically be excluded from next year's Federation Cup, to be played at Eastbourne immediately before Wimbledon. Until they pay their fines, teams from these countries may not participate in any competitions sanctioned by the ILTF. As a first step towards collecting the fines, which might not be easy, the prize money is being withheld from the three teams which technically are entitled to the first round losers' money. It is also expected that the men's International Professional Tennis Council will support the ILTF by refusing to sanction a grand prix tournament in any of these countries until the fines have been paid. The only nation immediately affected is the Philippines where the Manila Tournament is due to take place in the autumn.

If much of the week's tennis had been decided by the sparsely-attended early sessions, the final on Sunday itself would have been a anticlimax. The Americans came to cheer an American victory, which at one time seemed likely to be swift. But the court, imposed her versatile attack on Kerry Reid, the Australian No. 2, to such effect that she led 6-1, 3-1 in under 45 minutes. But from that point, Mrs. Reid found the range with her formidable forehand and took the initiative from the American. Once the confidence barrier had been broken, Mrs. Reid always seemed likely to win, so it was no surprise when, after pocketing the second set with a run of five successive games, she stayed on level terms in the deciding set and engineered the vital service break in the 12th game when some splendid lobs to give her multi-court venue is essential.

RACING

BY DOMINIC WIGAN

# Take the Tiger Trail

FEW HORSES have made as much improvement from three years to four as Tiger Trail, and there is every reason for believing that Mr. Jim Joel's Great Eastern colt can extend his winning sequence to four in today's Playboys Handicap (3.10) at Kempton.

Tiger Trail, who began the campaign with a comfortable Haydock success over his 11-month-old stablemate, was disappointed in his next two races before coming back to his best form here in the Princess Handicap.

Since that race, in which he defeated Mother Brown by four lengths at level weights, Tiger Trail has accounted for Quilzair by the same margin in a Newmarket handicap, and followed up on his home course, beating Swire through to whom he was conceding over a stone in the valuable New England Handicap.

Tiger Trail, whose two victories here last season included a win from Hidden Talent over today's

the Arthur Stephenson-owned and trained Lopez in the Man Stayers Handicap. This consistent six-year-old has been in the money five times out of seven when carrying his 10-stone easy Edinburgh weight where he came through in the final furlong to beat Noble Game after not a scratch. Barclay should also be marked in the Bournebridge Stakes (2.45), in which partners another At Stephenson-owned and trained performer, Kabagold.

2.00—Noble Game  
2.35—Imperial Guard  
3.10—Tiger Trail  
3.40—The Sign of the Cross  
4.15—Norfolk Royal  
4.45—Chief Marshal

RIPON  
2.45—Kabagold  
3.15—Lopez  
3.45—Dumtunny

## Car factory to reopen

FINANCIAL TIMES REPORTER

A SPORTS CAR factory is to be reopened in Ipswich, bringing 150 jobs to the town. The U.S.-backed Trident Motor Company will handle production at the factory, which stopped building cars in 1973.

Trident says that production will start early next year and it will recruit 50 workers in a few weeks. The rest of the workforce will be employed over the next two years.

The new cars will have Italian bodywork and American 5-litre V8 engines with automatic transmission as standard. Air-conditioning and leather trim are also planned as standard features.

## New job grants snapped up

THE DISTRIBUTIVE Industry Training Board, which launched in June a scheme offering £1,100 per head premium grants to employers providing new jobs and training for school-leavers, has provisionally allocated all the 3,200 grants available.

The £22m scheme, financed jointly by the Board and the Training Services Agency, was designed to encourage the recruitment of young people into jobs requiring worthwhile training.

## Tea company to sell coffee

LONDON TEA and Produce is to start selling coffee as well as tea. It will market four coffee blends — Kenyan, Brazilian, Filter and Original — which will be sold in eight-ounce tins, at an 80p recommended retail price, by a new subsidiary, the London Coffee Company.

National distribution is just starting and from next month the four brands will also be sold in North America.

## New non-stick U.S. cookware

Non-stick cookware, which claimed to have three times the life of today's kitchen utensils, may be on sale in Britain.

Business Week, the U.S. magazine, reports that DuPont, manufacturer of Teflon, is launching a new, non-stick cookware called Silverstone in the U.S. autumn. Silverstone is claimed to last eight years — up to 10 times longer than Teflon.

## Bank raises its charges

CLYDESDALE BANK will increase its charges to meet the rising cost of money. It will continue to provide banking to customers who have their accounts in credit with the bank, but will charge a fee of 7p against all overdrafts, an increase of 2p per cent. a year, the average credit balance.

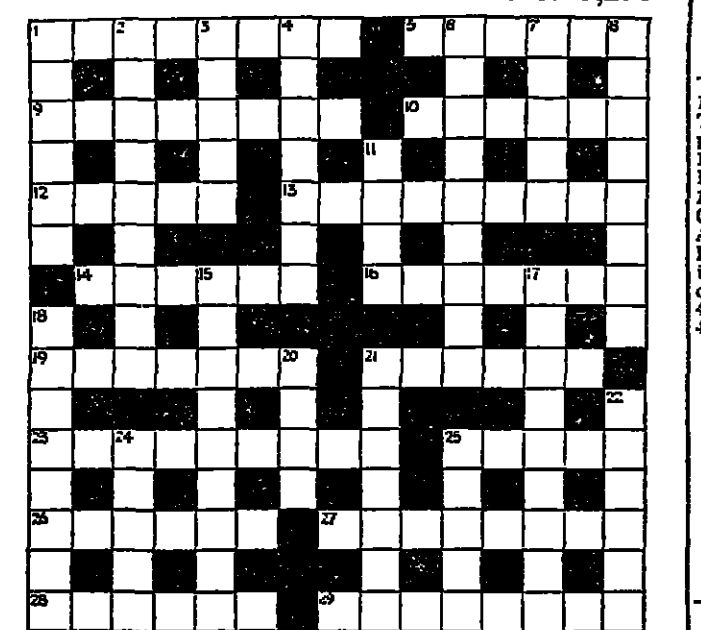
## TV Radio

BBC 1

7.05-7.55 a.m. Open University (UHF only). 8.40 Dastardly and Muttley in their flying machines. 9.50 Jackanory. 10.05 Devlin. 10.30 Roobarb. 10.35 The Boy from Lapland. 11.00 Crickit: England v. W. Indies. 1.30 a.m. Andy Pandey. 1.45 News. 2.00 Crickit. 2.50 Ar Glawr. 4.25 National News (except London). 4.35 Play School. 4.50 We are the Champions 1975. 5.40 Lippy Lion and his friends. 5.40 Magic Roundabout.

5.45 News. 6.00 Nationwide. 6.30 Tom and Jerry. 6.40 Lassie's Great Adventure (series of six films). 8.10 Sutherland's Law.

## F.T. CROSSWORD PUZZLE No. 3,170



ACROSS

DOWN

- 1 Bear an accountant inside a container (8)
- 5 Hands round a bob for the songs (6)
- 10 Meant to be steady (8)
- 12 From the beginning—the sailor is absent (8)
- 14 A dunce who sometimes gets a prize (5)
- 15 The noise of fire-dogs round the eucalyptus (4-5)
- 16 Morning in season—and it sounds like it (6)
- 17 Labour with Virginia in the track (7)
- 19 A case for one in the embassy (7)
- 21 It's the fourth for Fleet Street (6)
- 23 Multiply support with an entrance (8)
- 25 Sometimes brought home when no taxi returns (5)
- 26 "Nor you, ye Proud, — to these the fault" (Gray) (6)
- 27 Where breeders turn for pedigree (4-5)
- 28 Information anticipates the attempt on the upper classes (6)
- 29 There is love in this for Pansy (8)
- 1 There was a wall between her and her lover (6)
- 2 So a truant can be a high flier (9)
- 3 Harass a number in any surroundings (5)
- 4 Sit up in conference with an authority on food (7)
- 6 Bunker activity needed to engrave the glass (4-5)
- 7 Subsequently sunk in the Plate river (5)
- 8 Material for a Q.C. with a bullet-wound (4-4)
- 11 Dismissal can be good (4)
- 13 "Like ghosts from an evening" (Shelley) (9)
- 17 Plant associated with the Holy City (8)
- 18 Chuck round a current taste (8)
- 20 Dash—it's a melancholy make-up (4)
- 21 Before the court Edward built (7)
- 22 They get you down in a children's game (8)
- 24 Painter or writer (5)
- 25 Tommie-player causes a stir (6)

The solution of last Saturday's prize puzzle will be published with names of winners next Saturday.

9.00 News. 9.25 Sykes. 9.55 Going Up: BBC-1 Documentary. 10.45 Bert D'Angelo. 11.25 A look back at summer and prospects for September-Regional News.

All Regions as BBC-1 except at the following times:—

Wales—6.00-6.25 p.m. Wales Today. 6.25-6.50 Man and Boy. 6.50-7.10 Heddiw. 7.10-8.00 The Elly Queen Whodunit. 8.00-8.10 Industrial Grand Tour. 11.25 News and Weather for Wales.

Scotland—6.00-6.30 p.m. Reporting Scotland. 11.25 News and Weather for Scotland.

Northern Ireland—4.25-4.55 p.m. Northern Ireland News. 6.00-6.30 Sunday Around Six. 11.45 News and Weather for Scotland.

England—6.00-6.30 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands To-day (from Birmingham); Look East (from Norwich); Points West (from Bristol); South To-day (from Southampton); Spotlight South-West (from Plymouth).

BBC 2

6.40 a.m. Open University. 7.50 Play School. 8.00 Play School. 8.10 Play School. 8.20 Play School. 8.30 Play School. 8.40 Play School. 8.50 Play School. 9.00 Play School. 9.10 Play School. 9.20 Play School. 9.30 Play School. 9.40 Play School. 9.50 Play School. 10.00 Play School. 10.10 Play School. 10.20 Play School. 10.30 Play School. 10.40 Play School. 10.50 Play School. 11.00 Play School. 11.10 Play School. 11.20 Play School. 11.30 Play School. 11.40 Play School. 11.50 Play School. 12.00 Play School. 12.10 Play School. 12.20 Play School. 12.30 Play School. 12.40 Play School. 12.50 Play School. 1.00 Play School. 1.10 Play School. 1.20 Play School. 1.30 Play School. 1.40 Play School. 1.50 Play School. 2.00 Play School. 2.10 Play School. 2.20 Play School. 2.30 Play School. 2.40 Play School. 2.50 Play School. 3.00 Play School. 3.10 Play School. 3.20 Play School. 3.30 Play School. 3.40 Play School. 3.50 Play School. 4.00 Play School. 4.10 Play School. 4.20 Play School. 4.30 Play School. 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## HOME NEWS

## Gloomy forecasts over inflation and balance of payments

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

AN INCREASINGLY pessimistic view of the prospects for the balance of payments, inflation and unemployment emerges from a series of new City and academic forecasts.

Two of the reviews—from the London Business School and stockbrokers Phillips and Drew—warn that unemployment (excluding school leavers and seasonally adjusted) will not fall below 1m. for at least two years and that inflation will start to accelerate again in 1978.

Forecasts for the balance of payments have also been revised significantly from earlier projections. The Business School, whose analysis appeared in the Sunday Times, and Phillips and Drew envisage a current account deficit in the range of £1.5bn. to £2bn. for 1976, compared with £1.7bn. last year.

These forecasts could prove embarrassing for the Government ahead of the TUC Congress and likely negotiations during the autumn on longer-term overseas borrowing. And another review is due from the National Institute of Economic and Social Research on Friday.

Phillips and Drew argues that the weak profile for the current account—a deficit of £1.3bn. in 1977—together with continuing

high unemployment, increases the possibility of the Government adopting import restrictions.

But the review suggests that wide-ranging controls will not be introduced, though selective ones may come, since the necessary international finance from the IMF and other sources, should be available following the July economic package.

## IMF loan

The opinion that Britain will have to go to the IMF when the standby credit expires in December is shared by Dr. David Lomax, the economic adviser to the National Westminster Bank.

He argues in his latest monthly analysis that given the IMF's known views on monetary policy the British Government could feel compelled this autumn to take further action to slow monetary expansion.

Both the Business School and Phillips and Drew believe that the rate of wage increases will begin to rise sharply after the end of stage two next summer. Consequently, the annual rate of increase of consumer prices is likely to be in single figures for a short time in the second half of 1977.

The firm also estimates that the drought will add only a further 2 per cent to the cost of living by the end of 1977.

Differing views are, however, held on the rate of increase of output with the Business School projecting a rise of only 2.2 per cent in Gross Domestic Product this year, 4 per cent in 1977, 1.5 per cent in 1978, before tailing off to 0.8 per cent in 1979.

While this has pessimistic implications for unemployment, a slow-down in growth and increasing aid from the North Sea should help to produce a substantial improvement in the balance of payments from mid-1978 onwards with a surplus of £1.3bn. forecast for 1979.

Phillips and Drew are more optimistic about the short-term growth prospects with a rise of 3.4 to 4 per cent in GDP still envisaged this year and 2 per cent in 1977. Dr. Lomax of the NatWest believes the present annual growth rate is just over 3 per cent.

A more confident view of the immediate outlook on the balance of payments comes from the brokers Wood Mackenzie, who are sticking to a forecast of a current account deficit of £1.3bn. for 1976 because of the impact of North Sea oil.

The firm also estimates that the drought will add only a further 2 per cent to the cost of living by the end of 1977.

## OVERSEAS NEWS

## Syrian hint of federal solution in Lebanon

By Ihsan Hijazi

BEIRUT, August 30.

A HINT by a Syrian newspaper known to reflect Government thinking that Syria wants to have a federal relationship with Lebanon has provoked a great deal of interest in political quarters here, because it was related to the visit which Mr. Elias Sarkis, Lebanon's President-elect, is due to undertake to Damascus tomorrow at the invitation of President Assad.

The semi-official Syrian daily Al-Thawra said in leading editorial yesterday that Mr. Sarkis' visit should be "followed by regular meetings in Damascus, Amman or any other place—in any city or village which may be adopted as a federal capital."

The newspaper said that, to be followed by a federal legislature. The paper further indicated that the meeting should be followed by a federal legislature.

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## OAU official backs Cuban intervention in Namibia

BY OUR OWN CORRESPONDENT

LUSAKA, August 30.

THE ORGANISATION of African Unity (OAU) will support the use of Cuban assistance by South West African Peoples Organisation to force South Africa out of Namibia (South West Africa), the OAU Secretary-General, Mr. William Eteki Nkhomona, declared today.

He said SWAPO could use any help needed as the representatives of the people of South West Africa. He said SWAPO has the right to call for any help including that of the Cubans. Mr. Eteki told a Press conference during his stopover from Swaziland.

He said his organisation would continue to give assistance to SWAPO until Namibia was free from racist rule. Asked whether the use of Cubans in Namibia would not aggravate a conflict between the super powers, he said: "The situation has already been aggravated."

The OAU would support any move by SWAPO to force South Africa out of Namibia if it did not comply with to-morrow's deadline laid down by the UN for South African withdrawal and free elections.

Mr. Eteki's statement comes after SWAPO President Mr. Sam Nujoma said he would ask for increased assistance from Cuba and other Socialist and Communist countries.

South Africa will retain control of defence and foreign affairs, as well as finance. However, speaking today at a Press conference, Mr. Daniel Tjongwero, the Information Secretary of the OAU, said that SWAPO rejects "the quelling, puppets and political dropouts of the Turballe, and demands independently supervised elections."

SWAPO's position is that there should be elections on a one-man-one-vote basis for political parties rather than indigenous groups. Mr. Tjongwero said that SWAPO, which claims to have the support of 60 to 70 per cent of the population, is only prepared to negotiate with South Africa over what he termed the withdrawal of the "occupying forces."

SWAPO, whose militant external wing is waging a guerrilla war in the north of the territory, is recognised by the UN and the OAU as the main liberation group of the territory, which has been run by South Africa since 1919.

## Three-point Japan compromise

BY CHARLES SMITH

TOKYO, August 30.

A THREE-POINT plan for ending the strife within Japan's ruling Liberal Democratic Party was put forward today by party officials.

The plan, deceptively simple in outline, proposes firstly that Prime Minister Takeo Miki should reshuffle his Cabinet immediately.

After the reshuffle, an extraordinary session of the Diet should be convened as quickly as possible to discuss the need for financial legislation.

Finally, the party should "unite" itself in preparation for the General Election, which is constitutionally due next winter.

The compromise plan was announced this afternoon by Mr. Yasuhiro Nakasone, the LDP Secretary-General, who said it was "certain" to be acceptable to Mr. Miki.

Tonight the Prime Minister was in conference with his two main opponents, the Deputy Prime Minister, Mr. Takeo Fukuda, and Mr. Masayoshi Ohira, the Finance Minister. The three men were evidently attempting to arrive at a truce based on the officials' proposals, but the length of their meeting suggested they might be having difficulties.

The thinking behind the proposal for a reshuffle is that Mr. Miki Cabinet—despite the invulnerability of Mr. Miki himself—contains at least one person who may be vulnerable to police inquiries in connection with the Lockheed affair. This is no other than Mr. Nakasone, who in his present position of LDP Secretary-General occupies a vitally important party post.

The fact that Mr. Nakasone has chaired the committee of party officials who came up with the compromise proposals lends a distinct irony to the situation.

The proposal to convene the Diet at the earliest opportunity should also be common ground between the Miki and anti-Miki groups, though the wording of this section carries the implication that Mr. Miki will still be

Premier when the Diet convenes. The remaining proposal, calling for the LDP to "unite" itself for the election, is the one about which the greatest amount of discussion can be expected.

The carefully chosen word "unite" could be taken to imply that Mr. Miki should step down before the election, since the party is presently disunited over the issue of his leadership. It could equally be taken to mean that the party will unite itself under Mr. Miki to fight the election.

Arguments about the semantics of the proposal were almost certainly one of the main reasons for this evening's prolonged summit between Mr. Miki and his two opponents.

It seems unlikely that he will agree, even privately, to step down. It is also unlikely that he would commit himself to resigning before the election. However, there seems a possibility that he may in the event be prepared to understand the proposal in this way.

The political sky is also beginning to clear, with the conditional support pledged this week-end by the Gaullist party for the new government, despite their loss of the post of Prime Minister.

## Barre wins support for franc

BY RUPERT CORNWELL

PARIS, August 30.

THE MERE appointment of M. Raymond Barre as French Prime Minister seems already to have partly solved one of the major problems he was named to tackle—the alarming weakness of the franc on foreign exchange markets.

The currency to-day rose more than four centimes against the dollar to close at Frs.4.9075, representing an improvement of almost 2 per cent since the dramatic departure last Wednesday of M. Barre's predecessor, M. Jacques Chirac.

To a degree the recovery reflects the view that the decline since mid-July had been exaggerated. But it is also an acknowledgement of the international financial community's faith in M. Barre's economic skill and of his belief that an anti-inflation programme has been promised which will have real substance.

The package is unlikely to be ready before mid-September. In the meantime the Prime Minister has scheduled a series of meetings with employers and unions in his determination to win some form of control on wages and prices, whose rapid growth has been the direct cause of recent pressure on the currency.

The Bourse for its part has reacted positively, and despite a slight dip today, prices have put on almost 3 per cent across the board since M. Barre's nomination.

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## Spanish Press curbed

BY OUR OWN CORRESPONDENT

MADRID, August 30.

THE GOVERNMENT, led by Prime Minister Adolfo Suarez, has invoked Spain's Official Secrets Act of 1968 to prevent the local Press from publishing information concerning measures under study by the Cabinet.

The ban comes at a critical time, since the Cabinet is expected to devote most of September to the study of measures affecting political liberalisation.

Local newspapers, when informed on Saturday, were told that the Government was seeking to avoid public speculation concerning its talks on political liberalisation.

The Spanish Press reacted with anger and dismay at the news clampdown. Even the staunchly monarchist newspaper ABC, which generally has nothing but good to say of the Government, termed the ban "an unfortunate decision."

The Government is said to have been disturbed by the fact that outlines of measures scheduled for discussion at recent Cabinet meetings have appeared in the Spanish Press.

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## Saudis behind Kuwait crisis

BY KATHLEEN BISHTAWI

DUBAI, August 30.

KUWAITIS appear shocked by the move on Sunday by the ruler to dissolve the National Assembly, according to informed sources in Kuwait. The 50-man assembly which is elected by universal suffrage among the citizens, was formed in 1962 and its dissolution removes the last vestiges of democracy in the Gulf region.

The move by the Emir, Sheikh Salim Sabah, is seen as the result of pressure by Saudi Arabia, which opposes the spread of democratic institutions. Last year Bahrain dissolved its own National Assembly and, though fresh elections were promised, none has been held. The ruler also suspended the constitution and tightened controls of the Press. The Cabinet also resigned.

Speculation is mounting in Kuwait that the Foreign Minister, Sheikh Sabah al Ahmed, and the Finance Minister, Abdul Rahman al Atiq, will not be included in the new Cabinet which is due to be announced either tomorrow or the day after. Four other Ministers are also expected to go.

The move comes (probably on purpose) just at the onset of the month of Ramadan and about 30 of the 50 deputies are out of the country, and though reaction is bound to be delayed, it will not be the end of the matter, said a Kuwaiti source.

The dissolution of the Parliament comes after several months of heated debates in the National Assembly. Before the summer recess the Government was facing an almost daily barrage of criticism over internal and foreign policies. Deputies accused Ministers of using their posts for private gain. One prominent member, Khalid al Masoud, criticised the Prime Minister and Crown Prince, Sheikh Jaber al Ahmed, for being "a dictator" and conducting a "one-person rule" in the country.

The heart of the dispute is the growing disparity of incomes between the fabulously rich merchant community of Kuwait and the ordinary citizens. Another big factor is the large expatriate Arab population, of which an estimated 18 per cent are Palestinians. In recent weeks there have been popular meetings condemning Government in-

action over events in Lebanon, with members calling for a more positive stand towards the progressive alliance in Lebanon against the right-wing Christian faction and their Syrian allies.

But the key issues are domestic. The shortage of housing and the high rents are the hottest issues in Kuwait to-day.

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## 'Lockheed bribes in Italy'

A SENIOR Communist member of the Italian Parliament has alleged Lockheed payments in connection with the purchase in 1969 of 14 C-130 transport aircraft, has disclosed that the votes, narrowly against arrest or more from Minis Dominick J. Coyle reports Rome.

The crucial vote, according to Mr. Francesco D'Angelico, came just days before the general election in June. "It was time to bring the hardheads," he said, in interview with L. Repubblica added, however, that the move not win majority support in parliament.

The party political balance the revised commission of the into the Lockheed affair—reconstituted after the election could make it more likely that the Italian government would be uncovered and publicised due course, although there is expectation in Rome of any definitive findings.

SWAPO's position is that there should be elections on a one-man-one-vote basis for political parties rather than indigenous groups. Mr. Tjongwero said that SWAPO, which claims to have the support of 60 to 70 per cent of the population, is only prepared to negotiate with South Africa over what he termed the withdrawal of the "occupying forces."

SWAPO, whose militant external wing is waging a guerrilla war in the north of the territory, is recognised by the UN and the OAU as the main liberation group of the territory, which has been run by South Africa since 1919.

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# We need Asbestos. This is what the Asbestos industry has been doing to make it safer.

**We depend on asbestos. In vehicle brakes and in fire protection it saves thousands of lives every year. Asbestos can also give us the low-cost building materials and automotive components crucial to modern life.**

**Industry has to use asbestos in a thousand ways, because it provides a unique combination of flame and heat resistance, strength and flexibility.**

**These vital facts make it difficult to find a satisfactory substitute in many industrial and everyday uses. Which is why we must learn to live safely with asbestos.**

**What, then, is the asbestos industry doing to make it safer to use?**

## **1 We set up the Asbestosis Research Council.**

Originally set up in 1957 to co-ordinate the medical research and dust control studies of the three major asbestos companies, the Council has continued to investigate the causes and seek prevention of the conditions which might cause asbestos-related diseases.

In addition, the Council has developed highly sophisticated techniques for measuring asbestos dust levels in the air, such as the 'membrane filter method' for monitoring dust in the working environment. This is now the standard measure used in Britain, and has been adopted throughout the world.

The Council also advises industry on how to minimise the amount of dust released into the working atmosphere. This advisory service covers the publishing of literature, leaflets and posters on safe work practices, and the organisation of conferences and seminars, as well as day-to-day advice.

## **2 We set up the Asbestos Information Committee.**

The Asbestos Information Committee was set up in 1967 by the principal asbestos manufacturing companies (BBA, Cape and Turner & Newall), specifically to provide information about asbestos products and their safe and proper handling. Today, it is supported by another fourteen companies.

It has published a series of leaflets on asbestos-related subjects, so that information is readily available to you. For instance, if you would like to know more about asbestos in brakes or in buildings we can help.

Simply write to: The Asbestos Information Committee, P.O. Box 4QS, London W1A 4QS.

## **3 We have launched a National Campaign about the careful use of Asbestos.**

Recently you have seen full page announcements in the national daily and Sunday newspapers, dealing with asbestos and health matters, and inviting you to ask your own particular question.

These announcements have generated over 3,000 responses, covering anything from asbestos cement roofing materials to cleaning out brake drums. All enquiries are being answered individually.

## **4 We have introduced the Asbestos Safety Code.**

We have publicised the new Asbestos Safety Code in each of these announcements, encouraging people to cut it out and keep it at hand when working with asbestos products.

At the bottom of this page you will find a more detailed safety code.

## **5 Workers in Asbestos factories undergo regular medical checks.**

The asbestos industry spends £2 million each year on dust control in its factories and on workers' medical checks.

These measures ensure that a constant health watch is kept on people who work in the industry.

## **6 Our technical knowledge helps other industries control Asbestos dust.**

In 1969, comprehensive regulations were introduced covering all work with asbestos and asbestos products.

Dust emission controls in asbestos factories are strictly monitored, using sophisticated methods of measurement pioneered by the Asbestosis Research Council.

Highly efficient extraction equipment is designed to siphon dust away from the workers.

In most cases, the controls are so efficient that there is no need for workers to wear protective equipment. We have drawn on this experience to produce a series of guides to help related industries achieve the necessary standards.

## **7 We have suppressed dust in Asbestos products.**

We have suppressed dust in asbestos products so that they can be handled with greater safety. Most asbestos textiles, millboard and insulating board are treated with dust-suppressant chemicals before they leave the factory.

## **8 We are removing potential health hazards.**

When worked on, some asbestos products released excessive dust into the atmosphere. This dust could not be easily controlled and, as a result, these products have been abandoned.

Asbestos thermal insulation, for example, was once the most efficient method of preventing heat loss from high-pressure heating installations and other high-temperature work in chemical plants, refineries and power stations.

It has now been replaced by mineral wools, such as glass fibre, slag wool fibre, rock wool fibre and asbestos-free calcium silicates.

Sprayed asbestos was once used to protect steel and concrete structures against fire and for sound insulation. Mineral wool is now sprayed for this purpose.

In 1968, because some expert opinion in the UK held that the unguarded use of blue asbestos might present a particular health hazard, the industry decided not to import the fibre for manufacture.

No blue asbestos fibre has been imported into this country since 1970. It may, however, still be found in some pre-1970 buildings.

These uses of asbestos have been abandoned by the industry because they presented a possible hazard to the people who worked with them.

## **9 We are constantly researching into new materials.**

The asbestos industry is heavily involved in the search for new materials. For example, where suitable, man-made mineral wools are used in place of asbestos.

We have also developed asbestos-free calcium silicate, which is used where high-temperature insulation is required. But, in the context of present technical knowledge, asbestos is still indispensable for many products.

## **10 We shall introduce an Asbestos labelling scheme.**

Labels will be attached to most asbestos products, including do-it-yourself, manufactured after 1st October 1976.

This labelling scheme was initiated by the Asbestos Information Committee and the Asbestosis Research Council, and introduced after discussion with Government departments.

It is being carried out on a nationwide basis, so that most asbestos-containing products which might create dangerous dust will be immediately identifiable.

As part of this scheme, one million leaflets, incorporating the Asbestos Safety Code, will be distributed through shops and D.I.Y. centres.

## **The Asbestos Safety Code**

It is known that asbestos dust can cause lung diseases and there are strict regulations governing the manufacture and commercial use of asbestos products.

For the home handyman and domestic user of asbestos products, it is very unlikely that harmful quantities of dust will escape in their normal use. As a precaution, however, you are advised to:

**Avoid creating and breathing asbestos dust.**

**The safest way to do this is to follow a few simple rules:**

- 1. Damp the work:** wet dust does not become airborne and is not inhaled. For instance do not sand wall plugging compounds unless dampened. When re-lining your car brakes, remove dust from brake drums with a damp cloth.
- 2. Damp any dust that falls to the floor** and pick it up as soon as possible. Place it in a plastic bag and seal the bag.
- 3. Work in a well ventilated space,** if possible outdoors, when sawing, drilling, filing or sanding.
- 4. Use hand saws and drills,** which produce less dust than power tools.
- 5. Renew worn or frayed asbestos insulators** like oven gloves, oven door seals, hot plate cover seals, ironing pads and simmering pads.

**If you have any further queries, please send us this coupon.**

To: The Asbestos Information Committee, P.O. Box 4QS, London W1A 4QS.

Please send me further information on asbestos and health.  
(If you have a particular query, please print it in the space below.)

My query:

Name:

Address:

3/145

**The Asbestos  
Information Committee**



# The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

## PRINTING

### Growing role of computers

A DUAL computer system to be put into Southernprint by Comprint of Warrimoor will eventually handle the setting, composition and text storage/retrieval of a range of weekly and monthly magazines including Exchange and Mart, Do It Yourself and Look Now.

The system will be based on twin Nova 3/12 minicomputers each with 48K of store and 25 megabyte disc drives. Inputs to the system will be on paper tape from non-justifying keyboards; processed text will go on-line to the filmsetters with proofs produced on a Tally line printer; proofs will be corrected with four Beehive Edit Bee visual display units.

Comprint's typesetting and composition modules have been adapted to suit the particular needs of Southernprint. The setting output is in pages rather than galley, with "inputs" left for display advertisements and with leading-out (that is, spacings between lines) adjusted within classifications according to the space available. Other composition features include the automatic vertical justification of advertisements and the prevention of back-to-back reply coupons. Comprint is on 09852-2922.

## HANDLING

### Versatile vibratory bowl feeder

AN OUT-OF-PHASE vibratory bowl feeder developed by the University of Salford Industrial Centre (061-736 8921) is claimed to be more versatile in handling a variety of components than conventional feeders.

The design incorporates what is claimed to be a new mode of vibration comprising out-of-phase separately controlled vertical and torsional movements, with the torsional motion parallel to the bowl track.

It is possible to design bowls so that the conveying velocity of items round the helical bowl track is greater than that of those travelling around the bottom of the bowl. This eliminates any pushing action and possible jamming, and allows feed rates to be altered by adjusting only the torsional motion.

It is claimed that components from fuse clips to T-bolts have

been fed and oriented successfully—typically at rates up to three times faster than those achievable in conventional feeders.

Higher conveying velocities can be attained, which are virtually independent of the coefficient of friction between the component and the track. Movement of the bowl is elliptical (instead of saw-tooth) keeping the components in contact with the track. This elimination of bounce allows much more efficient feed rates to be used for separation and orientation of components than in conventional feeders.

The Centre claims that in practice wiper blades in the orienting system have operated successfully with a clearance of only 0.002 inches from a critical component face.

Output of components from the bowl is controllable to within close limits, and can be restricted to single item feeding. The unit incorporates a load sensing device used to control and alter the operation of a bulk storage hopper.

Other advantages are stated to be low maintenance and quiet operation.

## AUTOMATION

### Controls mechanics remotely

MOOG has introduced a lower cost development of the radio control system designed for remote operation of its electro-hydraulic equipment on cranes, access platforms and similar devices.

Up to 30 on/off and six proportional functions can be controlled at the same time through the self-contained, hand-held transmitter. Movements of switches and lever controls at the transmitter are radioed to the receiver which provides corresponding outputs to electro-hydraulic proportional valves, pump controllers, solenoid valves, electric motors and other devices controlling vehicle functions.

Moog claims that this new RDL system is completely secure with no danger from interference or spurious signals. The commands are digitally coded and prefaced with a unique station code which must be recognised by the receiver before a control command can be carried out. This together with the ability to preset the transmitter to a specific frequency allows several RDL systems to be used in close proximity without mutual interference. The range is 800 metres. More from PO Box 8, Runcorn Road, Cheltenham, Glos. GL51 9NZ (0242 53224).

## ELECTRONICS

### Stops dust and radio waves

EFFICIENT air filtering and radio frequency interference shielding properties between 14 kHz and 1.0 GHz (various types) are provided by Metex Shieldscreen and VIP air filtering panels now being offered by Walmore Electronics, 11 Betterton Street, London WC2H 9BS (01-536 1225).

In Shieldscreen the air-filtering medium is several layers of woven wire mesh which has been formed into a nesting "hill and valley" cross section of decreasing height so that layers are separated, increasing the dust holding capacity. In the VIP filters the medium is several layers of expanded aluminium.

Both types can be used dry or wetted with a viscous oil. Dry filters are suitable where a high level of dust stopping is not required, where the filters can be vacuum cleaned without

### Flashers and timers

FOUR mains-operated modules announced by Mullard provide timing periods of one to 300 seconds and flashing rates of 30 to 120 pulses per minute with a 50 per cent duty cycle.

Each module contains an electronic timing circuit which drives an electromagnetic relay with single-pole double-throw contacts. The contacts are electrically isolated from the timer circuit and can handle 250V DC or 1,000 V AC.

## RESEARCH

### A look at stepping motors

ACCORDING to the Electrical Research Association at Leatherhead there is in regard to stepping motors an ambiguity of terminology, labelling, terminal and lead designation and in the methods of presenting test data.

ERA believes that this is causing confusion for users and potential users of stepping motors and so has undertaken a programme of work on the preparation of a draft standard specification. Funding of the project is on a part Government, part industry basis and several leading companies are actively co-operating. Initially the investigations will be of terminology, mounting dimensions, labelling and lead colours. As the project continues work will include the preferred presentation of catalogue data, evaluation of test methods and recommendations for tests that are to be performed.

ERA is interested in hearing from any stepping motor manufacturers not already associated with the project, and is also seeking contact with users to obtain their views. More from Cleve Street, Leatherhead, Surrey KT22 7SA (03723 74151).

## METALWORKING

### European cost saving technology

LABOUR AND cost saving production through the use of numerical and program control, whether on a small batch or high volume production basis, will be the theme of the T. B. Robertson Group's stand at Mach '76 (Birmingham, September 22-October 2). Some 16 machines will be on show, many for the first time in the U.K. from East and West Germany, Spain and Italy.

Among the more important items is the DF 2N 2A Niles program controlled chucker from the German Democratic Republic. "Resistance welding control and monitoring" is the title of the first, to be held on October 6, will be limited to coatings fused to the substrate (welded and which will examine the various correction and monitoring techniques available for controlling the quality of resistance welded components. The papers will also review the various automatic systems which have been recently developed.

Following this company's practice it has a box-shaped sloping bed with stabilising elements. The tool slide can carry a number of different tools cutting simultaneously, stated to give fast floor-to-floor times. For the small volume producer, an automatic 6-station turret can be fitted to the workslide.

The sloping bed allows swarf to fall freely and provides easy working access. Re-circulating ball nuts and screws for each axis on dc amp/dyne drives are features of this machine.

Another machine from Niles is the DS2-N multi-cut copy lathe. Under continuous development since its introduction in 1973, the range now includes a number of derivatives including versions with single or twin copy slides mounted on a common saddle.

The twin copying arrangement allows the completion of re-entrant features in a single operation. A further version has twin copy slides which can be independently operated.

The model on show is a twin copy slide machine with an internal feed slide. It is capable of being programmed to take a maximum of 8 passes and has 8 speeds in the standard range 280-1,400 rpm and 16 feeds in the range 31.5-9,000 mm/min.

## CONFERENCES

### Welding seminars

DURING OCTOBER the Welding Institute is holding two seminars at its London office—84 Princes Gate, SW7.

"Resistance welding control



This machine for producing round bales is one of Massey Ferguson's latest offerings to farmers. It produces 4-ft-wide bales about 5 ft in diameter and weighing 800 to 1,000 lb. It is intended for use on medium-size farms which require easier to handle bales. An

indicator alerts the operator as the bale approaches full diameter. Twine is automatically cut off on completion of the wrapping cycle and the bale is ejected by hydraulic operation of the tailgate.

## SAFETY

### Detects smoke and heat

INTENDED PRIMARILY for domestic use, but said to be

suitable for other applications such as temporary sleeping quarters on building sites, small shops with living accommodation, farms, etc., a smoke and heat detector designed to give warning of the first stages of a fire has been introduced by Nu-Swift International, Elland, West Yorks, EX5 9DS (0422 2852).

It detects combustion particles in its ionisation chamber, which continuously samples the surrounding air. When such particles are found, the unit sounds a horn. A heat detector will also trigger the horn when the temperature reaches 57 deg. C.

Battery powered, the unit is stated to be capable of protecting an area of 900 square feet.

## CONTRACTS AND TENDERS

### KINGDOM OF MOROCCO

Ministry of Commerce,  
Industry, Mines and Mercantile Marine

### Société Nationale de Sidérurgie (SONASID)

## INTERNATIONAL PRE-SELECTION NOTICE

### B - Second List

The SOCIÉTÉ NATIONALE DE SIDÉRURGIE intend to construct an integrated steelworks which will be located in the Province of Nador on the Mediterranean Coast and which will initially produce one million tonnes of liquid steel for the manufacture of billet, rod, bar and section.

It is anticipated that commissioning of the steelworks will take place at the beginning of 1980. The steelworks is being divided into several sections of which an initial list was given in a previous notice.

The packages in this present list are:

- "Turnkey, excluding civil engineering", forming packages B1, B2, B3, B4, B5 and B6.
- Civil engineering contracts.

These will be allocated to successful tenderers following enquiries to prequalified contractors.

Ref	Section	Production or Size	Date of Call for Tender	Commissioning or Completion Date
B1	Power station and boiler house	3 boilers, 2 generators, 1 steam driven blower—total capacity 30 MW.	1 November 1976	January 1980
B2	Building structures	20000 tonnes of structural steelwork for 100000 sq metre of buildings	15 November 1976	September 1979
B3	Port dockside unloading	2 unloaders each with a capacity of 1000 tonnes/hour based on iron ore.	15 December 1976	July 1979
B4	Port and works stacking and reclaiming equipment	Capacity 1000 tonnes/hour based on iron ore.	15 December 1976	July 1979
B5	Sinter plant	120 sq metre suction area	15 December 1976	May 1980
B6	Coke ovens and by-products plant	450000 tonnes/year of coke products.	1 December 1976	March 1980
B7	Civil engineering (3 contracts)	Each contract for approximately 100000 cubic metres of reinforced concrete for foundations and sundry works on the site of the steelworks.	17 January 1977	September 1979

Other sections will appear on notices to be published later.

The financing of these plants, services and works will be provided as necessary from the following sources:

1. SONASID funds.
2. Buyers credits available in some countries and granted by the export aid financial institutions of those countries.
3. Credits granted by international development banks.

Firms interested are invited to write to:

Monsieur le Directeur General, Société Nationale de Sidérurgie, 16 Rue Abou Inane, RABAT - Morocco. Telex: 31721M.

before 15 September 1976, stating the reference numbers of the section(s) for which they would like to receive the relevant pre-selection documents and a questionnaire. The completed questionnaire returned within the specified time limits will be used for drawing up lists of prequalified contractors who will be invited to tender.

## CONTRACTS & TENDERS APPEAR EVERY MONDAY

For further information contact:  
ROSEMARY ANDREWS  
01-248 8000 Ext. 465

## INVITATION TO TENDER

THE POSTS AND TELECOMMUNICATIONS CORPORATION OF GHANA INVITES TENDERERS FOR:

### ESTABLISHMENT OF EARTH STATION COMPLEX AND NEW INTERNATIONAL SWITCHING CENTRE

The Project comprises the following two sub-projects:—

#### Sub-Project A:

Construction of Earth Station Buildings and Installation on turn-key basis of a standard INTELSAT Earth Station and associated facilities consisting of:—

- (a) Antenna System;
- (b) Communication System;
- (c) Multiplex — Demultiplex System with Engineering Service Panel;
- (d) Terrestrial Microwave Link;
- (e) Control, Monitoring and Test facilities;
- (f) Power supply and Special facilities;
- (g) Co-axial Cable System;
- (h) Spade System;
- (i) T.V. Standard Converter.

#### Sub-Project B:

Installation on turn-key basis of an International Switching Centre consisting of:—

- (a) International Telephone Switching Exchange;
- (b) (i) International Telex Exchange (ii) Message Relay System;
- (c) Power Plant;
- (d) Miscellaneous Facilities.

Prospective tenderers may obtain copies of general conditions of tender and contract and the specifications against payment of two hundred and thirty U.S. dollars (U.S.\$230.00) per complete set of documents daily between 09.00 hours and 16.00 hours G.M.T. from 1st September 1976 to 30th September 1976 at the address given below:—

For Ghanaian tenderers only, the charge per complete set of tender documents shall be two hundred and sixty-four Cedis (C264.00).

DIRECTOR OF ENGINEERING,  
EXTERNAL TELECOMMUNICATION SERVICES,  
(ROOM 316, 3rd FLOOR),  
THE POSTS AND TELECOMMUNICATIONS BUILDING,  
ACCRA-NORTH,  
ACCRA, GHANA.

The closing date for the submission of tenders will be at 10.00 a.m. Ghana time on 30th November 1976.

DIRECTOR-GENERAL,  
THE POSTS & TELECOMMUNICATION CORPORATION OF THE REPUBLIC OF GHANA.

**MOVE TO SUCCESS**  
Cwmbran  
Get the inside story on the opportunities available in the South Wales region. Contact: Cwmbran, South Wales, NP23 5JL.

## COMPUTING

### Printer for minis

SINTROM Electronics of Reading has brought to the market printer at a price of £2,100 claimed to be 10 per cent less than "competitive devices".

Designed for minicomputers and communications applications the Periprinter operates at characters/sec. with up to column-per line and eight line inch. Emphasis has been placed on high quality output suitable for use as customer and client reports.

In communications applications the unit offers the user choice of specification and direct TTL compatibility, matrix tab functions, and plot ability.

Electronics control techniques are used on the printer to eliminate many of the major parts normally encountered, a simple plastic disc with a character wheel consisting of a snap in a different character wheel to change type or fonts, including different gauges.

The ribbon, which can be one or two colours, is contained in a snap-in cartridge and can be one or two colours. More from Arkwright 1, Reading Berks (0734 85494).

### NATIONAL ELECTRIC POWER AUTHORITY (NEPA)

#### PREQUALIFICATION OF TENDERERS FOR CONTRACT No. ES 001

#### FURNISHING, DELIVERING AND INSTALLING GENERATORS AND ACCESSORY EQUIPMENT FOR SHIRORO HYDROELECTRIC PROJECT

#### NIGER STATE, NIGERIA

The Shiroro Hydroelectric Project will consist of a concrete-faced rockfill dam with a height of 115 metres from the river bed and a crest length of 700 metres, including spillway; an above ground water-tube powerhouse at the dam site with a generating capacity of 600 kW consisting of four units of 150 kW each and a tail-race tunnel and a powerhouse.

The project is located in Niger State, approximately 90 km. south-west of the City of Kaduna. It is situated at Shiroro Gorge on the Kaduna River near its confluence with the Dura River.

The National Electric Power Authority plans to invite tenders in November 1976 from prequalified tenderers for the furnishing, delivering and installing four generators and accessories for the Shiroro Power Project followed by the contract award in July 1977, with initial commissioning of the first unit scheduled for July 1, 1981 and the fourth unit by March 1, 1982.

The generators will be vertical shaft type, hydraulic-driven with a shaft mounted rotating exciter and range amplifier or excitation system. The generators will be rated 150,000 kW, 0.85 power factor, 15,000 volts, 50 Hz and 150 rpm. The contract will include generator main leads consisting of 8,000 amp self-cooled (oil) cables.

In order to pre-qualify as an acceptable tenderer, interested contractors must complete and submit prequalification forms. Required prequalification forms may be obtained from Class. T. Main International, Inc., 134-136 Broad Street, P.O. Box 12030, Lagos, Nigeria.

Attention: Mr. E. Ringo, Project Co-ordinator.

Class. T. Main International, Inc., Southeast Tower, President Center, Boston, Massachusetts, U.S.A. 02109.

Attention: Mr. N. P. Triano, Assistant Project Manager.

The forms must be completed and returned to Mr. Triano's attention at the above Boston address no later than October 1, 1976.

### NATIONAL ELECTRIC POWER AUTHORITY (NEPA)

#### PREQUALIFICATION OF TENDERERS FOR CONTRACT No. MS 001

#### FURNISHING, DELIVERING AND INSTALLING HYDRAULIC TURBINES AND GENERATORS FOR SHIRORO HYDROELECTRIC PROJECT

#### NIGER STATE, NIGERIA

The Shiroro Hydroelectric Project will consist of a concrete-faced rockfill dam with a height of 115 metres from the river bed and a crest length of 700 metres, including spillway; an above ground water-tube powerhouse at the dam site with a generating capacity of 600 kW using four units of 150 kW each and a tail-race tunnel and a powerhouse.

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# Building and Civil Engineering

## m. Tilbury Dock contract on by John Mowlem

TRACT valued around £1.5m has been awarded to John Mowlem and Company by the London Authority for the development of a new river-berth and container terminal for OCL and ACTA (A) at Tilbury Dock, Essex, and the stretch of the Thames as Northfleet Hope.

The latest berth will have a quay about 306 metres in length with a width of 30 metres. There will be a fully integrated terminal of some 84 acres and will have two separate ship berths, with one berth located inside Tilbury Dock and the other, a new one which will be constructed on the riverside on reclaimed land.

Work has already started and is scheduled for completion in mid-1978.

## £1m. worth for Wimpey Asphalt

WIMPEY Asphalt said over the weekend that contracts during August topped the £1m. mark. The largest of these, due to commence in October, is for R. J. McLeod for surfacing on the A.9 Luncarty to Birnam diversion at Bankfoot, Perthshire.

This contract includes surfacing of 11.2 km of new carriage-way of which 2.4 km will be dual and 8.8 km will be of single two-lane construction. The contract is due for completion in March, 1978. Consulting engineers are Babbie Shaw and Morton.

## Homes at Brandy House Brow

WORK has started on the construction of a £1.5m. housing project at Brandy House Brow, Blackburn, Lancs.

John Laing Construction is building 21 houses and 237 flats there for the Northern Counties Housing Association of Manchester.

The project on a 10 acre (4 hectare) site will, in addition to the two and three-storey blocks of flats and houses, involve the building of estate roads, parking areas, paths and fences.

When completed in spring, 1978 the flats will provide one or two bedroom accommodation, while the houses will have three bedrooms.

The external walls will be of brick and block, internal partitions will be of either block or brickwork, the concrete and hollow pot floors will be tiled and the pitched roofs will be

trussed and tiled. Walls and ceilings will also be plastered. Architects are John Gayten Associates (Lancs.); consulting engineers are E. J. Griffin Associates and the quantity surveyors Markham Millard and Partners.

## Electricity board offices

A NEW office block is to be built in Tunbridge Wells, Kent, for the South Eastern Electricity Board. The almost £2m. contract calls for a three-storey building and a single-storey warehouse. The contract awarded to Walter Llewellyn and Sons, will take two years to complete.

Architects are Wells Thorpe and Partners, quantity surveyors are E. P. Stevens and Co., and consulting engineers Sir Frederick Snow and Partners.

## Carrying the power lines

GECHENLEY has shipped to Dubai the first consignment of 550 specially designed multi-service pillars for use in MV distribution systems in the United Arab Emirates.

These pillars, together with a number of transformer-mounting sub-station fuse pillars and other equipment, are being supplied to the Ministry of Electricity and Water of the UAE through Speciaux Societe Anonyme, Brussels, which is main contractor to the project. The consulting engineers are Preece Cardew and Rider.

The multi-service pillars have concrete roots and plinths with GRP covers and have been specially designed to accommodate up to four 150 mm<sup>2</sup> four-core main cables with up to 15 twin-core service cables.

The GECHENLEY equipment is valued at about £115,000. Delivery is due for completion in October.

## Container berth preparation

WORK HAS started on a contract, worth about £1m., for the major part of the dredging and reclamation associated with the construction of a new container berth and terminal at Northfleet Hope, adjacent to Tilbury Docks, Essex.

The port of London Authority has awarded the contract to Sir Alfred McAlpine Zaven Dredging Company.

## n. school housing ards

FACTS worth over £2m. were won by S. W. Clarke & Co. for the design of the largest, worth £721,638, is City of Coventry for the Alderman comprehensive school.

For other contracts, twenty-two bids at Willen-

hall, worth £815,289, for Meantun Housing Society; forty-one dwellings at Wednesbury for the Metropolitan Borough of Sandwell, valued at £443,734; a £215,413 infants school at Nones Lane, Walsall for Walsall Metropolitan Borough; a £189,605 primary school at Anstey, Leicestershire for Leicestershire County Council; and a £154,670 primary school at Ashby-de-la-Zouch, also for Leicestershire County Council.

## Stops crane overload

WITHOUT DISMANTLING or rearranging the rope system, a device can be fitted to cranes which prevents overloading. Known as the LKV Power Guard, it has been introduced by Piab Materials, PO Box 40, Brentford, Middlesex, and is fitted directly to the crane cable close to the anchor point. With a key the instrument can then be set to operate a microswitch at any desired loading. To prevent unauthorised adjustment the switch setting is secured with a padlock. The micro-switch is said to have a life of 10m. mechanical movements.

## Start made on new warehouses

CONSTRUCTION of five warehouse/distribution depots at Aston Road North, Aston, Birmingham, has been started by D. T. Bullock and Co. The contract—valued at over £300,000—is being carried out for Bullock Developments and will provide five single-storey units—each from 6,000 to 11,000 square feet. Each unit has ancillary offices.

The architects are Radford Harper Associates of Birmingham.

THE Davenport Engineering Co., Bradford, Yorks., has been awarded a contract by Northern Clubs Federation Brewery for a waste water treatment plant at its new brewery at Dunston, Tyne and Wear.

The contract valued at about £250,000 is for the design, supply and installation of all the mechanical and electrical engineering for a two stage high rate biolifier capable of producing an effluent suitable for discharge to the tidal waters of the River Tyne.



Nearing completion by Willett in Leopold Street, Sheffield, is this £4.2m. office development for Gauntlett Developments (a subsidiary of Slough Estates), which occupies the five acres of the site of the old Grand Hotel. Construction is the work of the site of the old Grand Hotel.

25 metre thrust bore under a road crossing. The project is being carried out for the Taff Water Division of the Welsh National Water Development Authority, Cardiff unit.

£2.2m. job awarded to Connolly

FLATS AND houses are to be built at Spoundell Quarry, Meadway, Dunstable, Beds. for South Bedfordshire District Council. The project has been exchanged between the Council and Connolly Construction Company for a design and build project which also involves selling the land to the local authority.

The building contract is valued at about £2.2m. and is for 222 units with eleven different types ranging from one bedroom one person flats through to four bedroom six person houses, all in Parker Morris standards. The work is to be completed within 27 months.

Tenders should be sent to "Ministero dei Lavori Pubblici" (Ministry of Public Works) via Contratti, Via Nomentana 2, Roma.

£2m. work for Biggs Wall

WORK TO the value of nearly £2m. is to be carried out by Biggs Wall and Co. in a contract awarded to Mannesmann (Engineers and Contractors) by the British Gas Corporation for the 55 km. 800 mm diameter Chalgrove to Old Warden section of the Southern Feeder Pipeline Project.

The work sub-contracted to Biggs Wall involves all fencing, the construction of a right of way and temporary roads, stripping and stacking of topsoil, trench excavation, provision of sand base and surround, backfilling and reinstatement.

Laying a pipeline in South Wales

WHITTAKER ELLIS has won an underground water services contract worth about £550,000. The project involves laying underground some 10 km of 1,200mm and three km of 800mm pre-stressed concrete and steel pressure pipeline running between Cefn Mably and Tongwynlais, near Cardiff.

More time to tender

The final date for presentation of civil engineering and building tenders for the preservation of the hydrological balance of the water of Venice has been postponed by the Italian Ministry of Public Works. The original date was July 31, and it has now been changed to December 31, 1976.

Offers can be submitted to the Ministry by firms or individuals of any nationality. Competitors must ensure that their plans conform to the government's guidelines for the overall development of the area and guidance can be obtained from a specifically appointed committee set up in Venice. (Defence of Venice Committee—737 San Polo—Venice).

Technical solutions proposed must specify the cost of the project, its anticipated effects on Venice's navigation, on the operation of the port, on the level of pollution and on the water system.

Barrack block to be modernised

FAIRCLOUGH has been awarded two contracts in Yorkshire for the Property Services Agency of the Department of the Environment.

The Fairclough North East Building Division is to extend and modernise the three-storey Sandhurst barracks block at Caterick Camp at a cost of £1m. The architects for the scheme are Baulk & Hancock Johnson of Harrogate.

At the Flinchingly RAF Station near Doncaster, Fairclough is to repair and resurface the existing reinforced concrete hangar walls at a cost of £52,000.

IN BRIEF

● The Minister for Planning and Local Government, John Silkin, is to visit the Thames-side borough of Thurrock on October 5 to open the three-day International Land Reclamation Conference—the first event of its kind in the British Isles—at Civic Hall, Grays, Essex.

Self-dosing flocculant blocks

EFFLUENT CONTROLS using a compacted block flocculant is available with Decaloc briquettes from Pospur, Alfreton Industrial Estate, Nottingham Road, Somercotes, Derby DE5 4LR (07794 4325), a Fosco-Minsep Group company.

Once placed in the effluent, or water stream, the briquette, which is of high molecular weight polymeric flocculants, dissolves slowly to give controlled distribution. It is claimed that the material at small dosage rates consistently improves clarification processes giving high settling rates and good water clarity.

Among advantages claimed for the system are that no reagent preparation is required; no expensive dosing equipment is needed; there is minimum

labour involvement; the product is easily handled and can be supplied in block sizes to suit the application; there is a controlled dissolution rate and flocculant is released only when water or effluent is flowing.

The required number of blocks is placed in a cage and immersed in the effluent, where they dissolve at a constant rate. The number is varied to give the required rate of flocculation—the release rate is proportional to the flow over the blocks.

Still synonymous with the very best in industrial and commercial heating equipment to suit every specification. Coward Limited, Sir Henry Parkes Road, Canley, Coventry CV5 6BN. Tel. 0203-75544 Telex 31549

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Before you design, specify or install your next high performance pipe of system contact: Modern Composites Limited, Chertwell Road, Chertill Industrial Estate, Lancing, Sussex BN15 5TL. Telephone: 090 63 94481 Telex: 877150 A member of the Cape African International Group

## PLANT & MACHINERY SALES

Description	Price	Telephone
1974 Ten Stand roll forming line by Hunsar. Virtually unused Capacity 20 0mm x 2 mm M.S. strip complete with automatic cut-to-length equipment.	P.O.A.	021-556 0904 Telex 336414
2 Stand Rolling Mill for flattening wire and rolling narrow strip. Complete with winding rolls and recoller.	P.O.A.	021-556 0904 Telex 336414
Rolling Mills 1) 12" x 12" 125 HP Farmer Norton two high. 2) 24" x 36" x 300 HP Robertson two high. 3) 6" x 12" 14"—180 HP Hunsar Mann four high.	P.O.A.	021-556 0904 Telex 336414
Modern Used Rolling Mills, wire rod and tube drawing plant—roll forming machines—slitting—flattening and cut-to-length lines—cold saws—presses—guillotines, etc.	P.O.A.	021-556 0904 Telex 336414
1970 Herdicheckhoff 100 KW double vacuum annealing plant useful charge area 625 mm dia x 2000 mm loading height—output 600 lb per 24 hours	P.O.A.	021-556 0904 Telex 336414
1971 Automated 25th Drawbench with pushpointer by Wellman—effective pull 10 tons at 100 fpm and 20 tons at 50 fpm. Virtually unused.	P.O.A.	021-556 0904 Telex 336414
1974 Fully Automated Cold Saw by Noble & Lund with batch control for cutting non-ferrous bar Max capacity 5" round and square.	P.O.A.	021-556 0904 Telex 336414
1971 Fully Automatic High Precision Circular Saw by Rhoi with batch control. Max capacity 60 mm bar-70 mm profiles and tube.	P.O.A.	021-556 0904 Telex 336414
1970 cut-to-length line, max capacity 1000 mm x 2 mm x 7 tonne coil, fully overhauled and in excellent condition. Caterpillar 14E Motor Grader, complete with new tyres. Caterpillar 966C Wheel Loader, with 31 cu. yd. bucket and new tyres.	£25,500 £25,500	Telex 51187 094-34 4531 Telex 51187

WANTED  
Modern Used Rolling Mills, wire rod and tube drawing plant—roll forming machines—slitting—flattening and cut-to-length lines—cold saws—presses—guillotines, etc.

PLANT AND MACHINERY SALES/WANTED APPEARS EVERY MONDAY. FOR FURTHER INFORMATION RING MR. FRANCIS PHILLIPS. 01-248 8000. Ext. 456.

## Invitation for Tenders

The Governments of the Yemen Arab Republic (YAR) and the People's Democratic Republic of Yemen (PDY) have received loans from the Arab Fund for Economic and Social Development towards the cost of construction of a road linking the city of Aden in PDY with the city of Taiz in YAR, consisting of:

1. YAR SECTION: Approximately 60 kilometres of 2-lane asphaltic concrete road 7.0 metres wide with 2.0 metres wide shoulders on both sides extending from a point 6 km. from Taiz on the Taiz-Sana'a road up to the borders between YAR and PDY passing by Al Rahida, including one reinforced concrete bridge.

2. PDY SECTION: Approximately 58 kilometres of 2-lane asphaltic concrete road 7.0 metres wide with 2.0 metres wide shoulders on both sides extending from Aden to Nawbat Dukim and approximately 6.4 kilometres of improvement to the existing road between Nawbat Dukim and the borders between PDY and YAR including 4 pre-stressed concrete bridges and one reinforced concrete bridge.

Qualified international contractors are invited to bid for the construction of either or both of the above sections.

Tender documents can be obtained as of 15th September, 1976 against a non-refundable charge of US Dollars 200.00 (US Dollars two hundred) for each of the sections from:

Highway Authority, Sana'a, YAR, for YAR section.

Ministry of Communications, Khormaksar, Aden, PDY, for PDY section.

or from

Das Al-Bandash Consultants (Shair and Partners), 31 New Cavendish Street, London W1M 7FS

or

Abdallah Al-Tal Building, Jabal Al-Haseem, Opp. Mosher Hospital, Amman, Jordan.

Tender documents should be simultaneously returned duly completed to Highway Authority, Sana'a, YAR, for YAR section and to the Secretary, Central Tender Board, Aden, PDY, for PDY section, on or before noon of 15th November, 1976, and as instructed in the tender documents.

Private Placements August 31, 1976

This announcement appears as a matter of record only.

## AUSTRALIAN SHIPPING COMMISSION Melbourne, Australia

DM 100,000,000.- 8% Bonds of 1976/1983  
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	Wood Gundy Limited	







# The Executive's and Office World

EDITED BY JOHN ELLIOTT

With more and more income to invest, some pop musicians turn to small management companies for help. Lorne Barling looks at one such middle-man organisation

## £1m. a year adviser for pop

RAGS to riches legends of the music world, of stately mansions and tax havens, are more than they ever were now. Individual earnings of pop stars are reaching new heights. Such musicians, who fortunes overnight, tend to have armies of financial managers, more qualified than the average of that money to them.

As a result, musicians have learned about the hard way. In the past, sums have been dissipated, but by taxes, in a business which attracts every sort of lawyer. The working life of a pop musician is likely to be with some income is predictable and under-standable. As a result, musicians which will provide financial services and particularly in relation to taxes.

In 1969, one of EG's directors, Mr. David Enthoven, pinned his hopes on an underground group called T-Rex, which flourished briefly. Emerson, Lake and Palmer followed, and with £30,000 loan they were launched to world-wide stardom.

The key to success for a rock group is touring, which is not always profitable but which encourages record sales. Touring also requires large capital outlay, such as equipment and travelling, which may take a time to be recouped by records. But

had allowed for the high proportion of failures among their releases. EG, by comparison, claims to have a high success rate and chooses its artists with care.

An album will cost the company up to £25,000 to make including the vital important sleeve, which it finances itself. The tape will then be leased to a record company for a period of three to five years, with contractual agreements on marketing and distribution at an advance of perhaps £100,000 for

dual musicians. He points out that a single decision, when to go into "exile" for example, can save thousands in tax.

This decision is arguably the most delicate a musician can make and needs careful consideration. His reputation must be big enough to sustain his departure from Britain, otherwise he must bear the tax burden, as even some superstars have chosen to do so for their own reasons.

As Mr. Alder puts it: "There's no point in having large sums of cash. No one should ever be a millionaire in that sense." He admits that certain managers in the past have contrived to interpret this to their own ends, but believes that it is incompetence now that deprives most musicians of their due returns.

"A lot of musicians have been ruined by the business—they get too much too soon or not enough ever. I believe that British musicians are the best in the world and should earn accordingly—the road is very hard," he said.

He encourages them to become businessmen in their own right and many have been successful in related activities, such as operating recording studios or leasing instruments. EG also manages a number of these enterprises at 10 per cent of turnover, and advises on pension schemes and insurance. Sometimes this is in the form of endowment policies, with gifts bought to pay off long term premiums.

He encourages them to become businessmen in their own right and many have been successful in related activities, such as operating recording studios or leasing instruments. EG also manages a number of these enterprises at 10 per cent of turnover, and advises on pension schemes and insurance. Sometimes this is in the form of endowment policies, with gifts bought to pay off long term premiums.



The E.G. management team: Mr. Mark Fenwick (left), Mr. David Enthoven (centre) and Mr. Sam Alder

ss risky

nature of the pop business has changed somewhat in years, with groups and individuals retaining greater of their interests and a higher proportion of in less risky businesses. major record companies are to dominate the output, and some successful musicians are opting for smaller management companies which give closer attention to their needs. Their work is sold for companies for distribution, and with the earning of perhaps £250,000 for an album, the market is receptive.

There are about six smallish management companies in the which are proving useful as "middlemen," and management is one of the promising. The company's export business in 1975 and is now turning over £1m. a year. Its principal clients are Roky Music, including Bryan Ferry, the 1930s virtuoso, and a group led King Crimson, which has around 20 different members at up with capital of £5,000.

the long-term rewards are potentially enormous. "Residual" album sales, often over five or ten years have generated a strong cash flow for EG and substantial income for the groups concerned. King Crimson, for example, earned £250,000 for residuals last year.

The risks involved in launching a new group, perhaps to reform one which has disintegrated, are daunting. It is accepted that it may take five years before it starts to earn big money, and this will invariably happen in the United States.

In the bad old days musicians who made successful records generally earned comparatively little after record companies

a good hand. Royalty rates will depend on the band concerned, but the company is confident enough to prefer high royalties to a large leasing payment.

EG's policy is to avoid expensive marketing and distribution operations, retaining its cash flow for new ventures, in the belief that returns on fixed capital are nowhere near as attractive. The company has a turnover of around £700,000 on records, £200,000 on music publishing, and up to £200,000 on performances. Profits for 1975 were £120,000.

Another director, Mr. Sam Alder, joined the company in 1971 to handle the company's increasingly complex affairs, particularly for indi-

### Records

Despite the rapid break-up of some groups, many individuals remain with EG. They continue to earn residual income from albums they had made years earlier: one former member of King Crimson even makes a trip from a Tibetan monastery from time to time to pick up a cheque. The U.K. tape and record industry, now in a decline compared with last year, sold goods worth £159.1m. at manufacturers' prices in 1975, but this does not take into account the valuable fringes such as promotions, touring and countless other activities. Over-

### U.S. NON-EXECUTIVE DIRECTORS

## Personal contacts win the jobs

THE SELECTION of non-executive directors in America still follows a traditional pattern based mainly on high level personal contacts according to a survey which shows that the majority of non-executive directors appointed in 1975 were male, white and in their late forties or fifties. About 40 per cent of those who took part in the survey had come from industrial companies and nearly half of them had had experience in finance while a further 23 per cent had worked in the marketing field.

Carried out by Heidrick and Struggles, a recruitment consultancy, the survey was based on questionnaires sent to the 1,335 non-executive directors

whose appointments were announced in the Wall Street Journal last year. It was found that only 5 per cent of the respondents were women and only 2 per cent were coloured. Yet over 90 per cent of the new appointments went to graduates and nearly half the people selected were chairmen, vice-chairmen or presidents of their own companies.

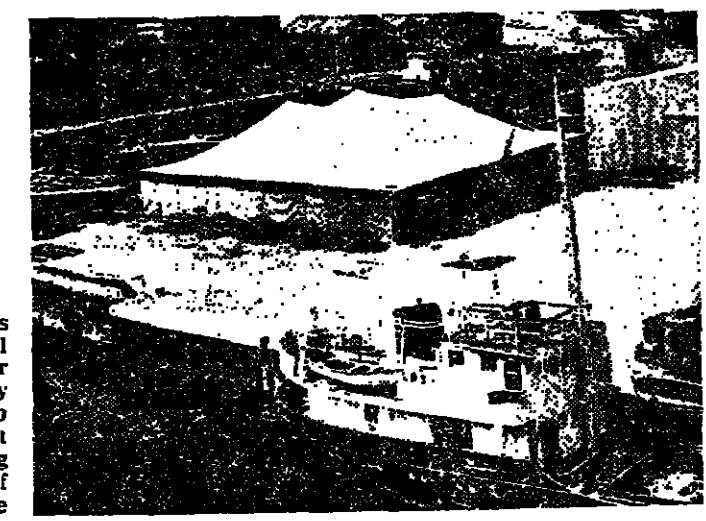
"The typical new non-executive director is 52 years old, male with an advanced degree in law or business," says the survey. "His major functional experience has been in finance. He is paid an annual retainer in addition to regular and committee meeting fees, averaging \$2,500 annual cash compensation."

"His friendship with company management was the source of the Board invitation which he accepted for the opportunity to contribute. No formalised performance standards have been established for himself or the chief executive officer. Liability insurance is provided for him. He owns company stock although he is not required to do so."

"In addition to being chairman or president of his present employer, his responsibilities include three additional corporate directorships and three civic or charitable directorships. Understandably he has declined some board invitations because he is too busy."

## Tents for business purposes

By Sue Cameron



A tent in use as a temporary warehouse at a British Waterways depot in Cheshire.

THE TROUBLE with tents, as any tent hire company will tell you, is their reputation for unreliability, which is probably founded on the fact that too many business people spent their early years disentangling themselves from mounds of shapely, sodden canvas while simultaneously shooing off the stray crows and sheep.

Memories like these are hard to eradicate. But efforts are now being made to persuade industry that modern tents can provide reliable warehousing and accommodation at highly competitive prices. Tents nowadays are referred to in the trade as "temporary structures" and they are said to be proof against anything the weather can offer.

Manchester area showed that the minimum lease for a 10,000 square feet warehouse is five years at an average cost of £200 a week plus rates. And this kind of time scale will not help people who only need extra space for a comparatively brief period.

Using tents to entertain is not really an economic proposition fully furnished and decorated tents capable of taking several hundred people costs £450 a week which compares favourably with the prices charged by hotels for banqueting suites. For one thing hotels invariably hire rooms by the day only. And in a hotel customers cannot choose the caterers.

Yet despite rapid developments in tent technology that will soon make it possible to put a ten-acre stadium under canvas, some of the old tenting traditions are still being kept alive. Davies Bryon has just finished a Big Top for Sir Robert Fossell's circus.

### Gale winds

They have spring-loaded main masts, steel hangers and tubular steel sidepoles—all of which means that they stay up by tension rather than luck. The sides are covered with PVC coated polyester and the roofs are made from heavy duty, water-proofed canvas. They are tested to stand up to gale force winds and can be quickly erected on any kind of surface including concrete. The biggest are 200 feet wide and there is virtually no limit on length.

Tents can now be heated and those designed for entertaining come complete with parquet flooring. A quick check in the

This year the golf exhibition at Royal Birkdale was housed in a Keespan structure and Keespan was also used by Ford Motor when production lines at its Halewood factory were being prepared for the changeover to the new Escort.

This facility is especially useful when it comes to warehousing. A quick check in the

## Health tips help typists and tycoons

OFFICES ARE not part of man's natural habitat and those who work in them will only stay fit if they set up straight, breathe deeply and learn to love traffic jams, according to the Health Education Council.

The Council has just published a booklet called "Stay fit in the office" which lists the different things office workers can do to ensure they keep healthy despite being tied to a desk. The first item on the list is to "breathe deeply and learn to love traffic jams, according to the Health Education Council."

The booklet, which is illustrated with Bristow cartoons, says daily travel should be as enjoyable and relaxing as possible so everyone should allow plenty of time for the journey to work. Drivers should reconcile themselves to "hold-ups" from time to time. Railway passengers should not cause arguments by taking more space than they need or by putting their feet on the seats.

Office workers should keep a change of clothes handy in case they get soaked on rainy mornings and if they do get wet they should never sit around in damp things. Most offices are well heated so it does not matter if people get "half-frozen" on their way to work but staff should beware of overheated rooms and of dry air which can both increase the risk of infection.

Once at the office people should avoid smoking whenever possible and should also do everything in their power to keep noise levels to a minimum. The booklet points out that small, repetitive noises can be just as irritating as loud ones and it promises that foam rubber pads under typewriters can "work wonders."

Stay Fit in the Office: Health Education Council, 78, New Oxford Street, London WC1A 9JF, or from local health departments. Free.

## How to park your car at Heathrow on the best of terms.

### The long term

If you're going to leave your car for anything over 3 hours, the Long Term Car Park may be your best bet. Only 50p for up to 12 hours. And only £1 per day. There's room for 4,500 cars. Follow the signs to the car park, there's a minibus service every few minutes to the airport terminals.

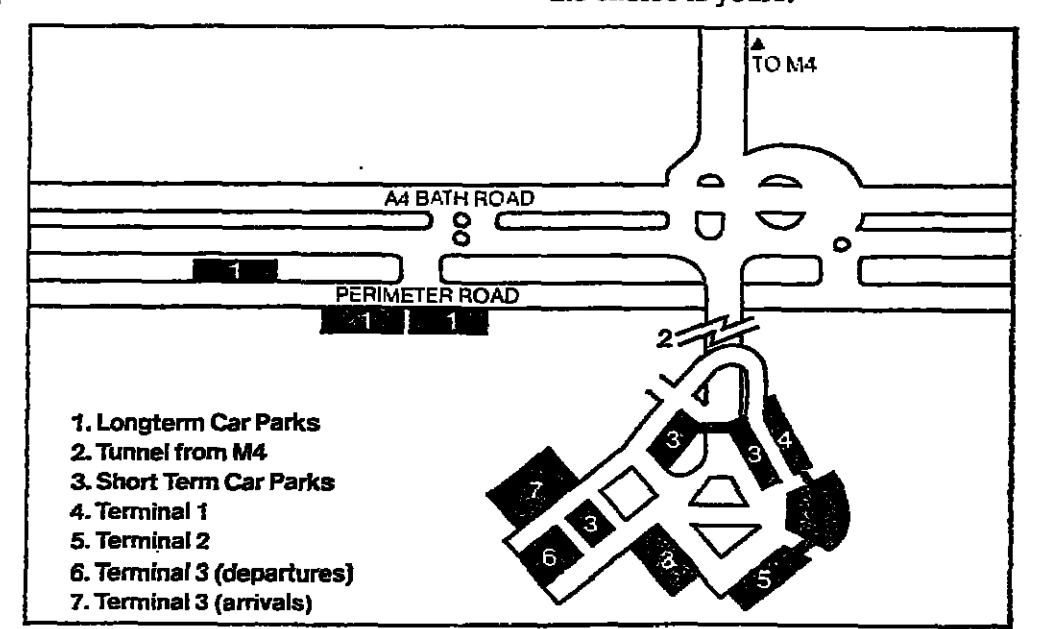
### The short term

If you're seeing someone off, or welcoming someone home, one of the Short Term Car Parks is probably the answer. They're located in the central area of the airport and the prices (from September 1st) are as follows:

0-1 hr: 15p; 1-2 hrs: 30p; 2-3 hrs: 50p; 3-4 hrs: 75p; 4-5 hrs: £1.00;

then each extra hour (or part of an hour): 20p; and a full 24 hours costs £4.80. Compare these with West End rates and you'll appreciate it's a pretty fair bargain.

Long term or short term—the choice is yours.



British Airports

## ENTERTAINMENT GUIDE

OPERA & BALLET	THEATRES	THEATRES	CINEMAS
<p><b>ENGLISH NATIONAL</b> (01-336 3161). <i>Don Giovanni</i>. 7.30. <i>The Magic Flute</i>. 7.30. <i>The Marriage of Figaro</i>. 7.30.</p> <p><b>ROYAL OPERA</b> (01-336 3161). <i>Don Giovanni</i>. 7.30. <i>The Magic Flute</i>. 7.30. <i>The Marriage of Figaro</i>. 7.30.</p> <p><b>ROYAL OPERA</b> (01-336 3161). <i>Don Giovanni</i>. 7.30. <i>The Magic Flute</i>. 7.30. <i>The Marriage of Figaro</i>. 7.30.</p>	<p><b>THEATRE</b> (01-336 7811). <i>Don Giovanni</i>. 7.30. <i>The Magic Flute</i>. 7.30. <i>The Marriage of Figaro</i>. 7.30.</p> <p><b>THEATRE</b> (01-336 7811). <i>Don Giovanni</i>. 7.30. <i>The Magic Flute</i>. 7.30. <i>The Marriage of Figaro</i>. 7.30.</p> <p><b>THEATRE</b> (01-336 7811). <i>Don Giovanni</i>. 7.30. <i>The Magic Flute</i>. 7.30. <i>The Marriage of Figaro</i>. 7.30.</p>	<p><b>THEATRE</b> (01-336 7811). <i>Don Giovanni</i>. 7.30. <i>The Magic Flute</i>. 7.30. <i>The Marriage of Figaro</i>. 7.30.</p> <p><b>THEATRE</b> (01-336 7811). <i>Don Giovanni</i>. 7.30. <i>The Magic Flute</i>. 7.30. <i>The Marriage of Figaro</i>. 7.30.</p> <p><b>THEATRE</b> (01-336 7811). <i>Don Giovanni</i>. 7.30. <i>The Magic Flute</i>. 7.30. <i>The Marriage of Figaro</i>. 7.30.</p>	<p><b>CINEMA</b> (01-336 7811). <i>Don Giovanni</i>. 7.30. <i>The Magic Flute</i>. 7.30. <i>The Marriage of Figaro</i>. 7.30.</p> <p><b>CINEMA</b> (01-336 7811). <i>Don Giovanni</i>. 7.30. <i>The Magic Flute</i>. 7.30. <i>The Marriage of Figaro</i>. 7.30.</p> <p><b>CINEMA</b> (01-336 7811). <i>Don Giovanni</i>. 7.30. <i>The Magic Flute</i>. 7.30. <i>The Marriage of Figaro</i>. 7.30.</p>



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TUESDAY, AUGUST 31, 1976

## Planning for water

DECIDING THE most appropriate form of organisation for the water supply industry may be the least pressing of the problems now facing Ministers. But, as Mr. Denis Howell, the Minister with special co-ordinating responsibilities for the drought, remarked after his appointment last week, the exceptionally dry weather of the past 12 months has added a new dimension to the Government's idea of creating a stronger national authority for the industry, which was the principal proposal in the consultative document it circulated earlier in the year.

## More promptly

No one in the industry could have been expected to foresee that the present drought would develop into the worst for 250 years. But it is always possible that the Government might have responded somewhat more promptly to the deteriorating situation had it had the benefit of some central body which was charged with considering the overall view. The National Water Council, the industry's present central organisation, does not have a planning role while the only technical body which is concerned with national planning, the Central Water Planning Unit, is under the shared control of the Council and the Department of the Environment, an arrangement which has not proved wholly satisfactory. Similarly, if the long-term development of water resources should call for schemes to transfer water from one river system to another, there would seem to be a role for some strategic planning body to decide which projects would represent the best use of national resources.

The case for a more centralised structure is not clear cut however. It is barely two years since the industry was last reorganised and ten regional water authorities were created in place of more than 1,400 separate undertakings. Each is responsible for managing all aspects of the hydrological cycle—from water supply to sewerage—in one or more major river basins. Their boundaries were drawn up so as to enable them to be virtually

autonomous in matching regional demand to regional supplies and their main task has been that of assessing development priorities within each region. Some inter-regional transfers may eventually be warranted but there is no foreseeable need, as yet, for anything akin to a national water grid.

All this would seem to point to the need for a central body analogous to, say, the National Ports Council with advisory powers on such matters as investment, finance, charges, and efficiency, rather than the more powerful body the Government has in mind—which, among other things, would take over the responsibilities of the British Waterways Board for the canal system. There is a further relevant consideration. The now defunct Water Resources Board foresaw the demand for public water supplies doubling by the end of the century but the present drought has served to remind us that the growth in demand in turn depends upon the extent to which users are encouraged to re-cycle water and to seek economies in other ways.

## Economy

Both domestic and industrial users have tended to regard water as almost a free resource, an attitude which the industry's financial structure has done little to discourage. True, water charges have risen sharply in the last two years but this has reflected cost inflation and the withdrawal of Exchequer and rate fund subsidies. Although the industry faces a heavy investment requirement, for replacement schemes let alone new works, it is currently financing virtually all of its capital spending from borrowing. A working party drawn from the water industry suggested last month that the Government should use its existing power to set target rates of return for the water authorities so as to encourage a higher rate of self-financing of new investment. This would mean further increases in water charges. But, by encouraging economy in water use, it might serve to make some of the industry's development schemes less pressing.

## Keeping Lockheed out of Dutch politics

THE DUTCH Government has handled the explosive issue of Prince Bernhard's involvement in the Lockheed payments scandal with commendable skill. Mr. Joop den Uyl, the Socialist Prime Minister, has a long reputation as an astute politician—in the Netherlands he is sometimes compared to Sir Harold Wilson—and once again he seems to have succeeded in picking his way through a minefield that could have destroyed not only his own Government but the House of Orange with it. The proof of his dexterity is the conclusion of yesterday's Parliamentary debate in The Hague, in which all the major parties supported his management of the crisis.

## Abdication

The problem facing Mr. den Uyl was to ensure that the Prince paid a penalty for his relations with Lockheed, which, in the words of the official inquiry board, were "unacceptable," without provoking the abdication of Queen Juliana. It is not that his Labour Party has any deep-felt devotion to the monarchy as an institution; the party's position was dictated by a straightforward political calculation. The vast majority of the Dutch people is both in favour of the monarchy in general and extremely fond of Queen Juliana in particular, and an election, which is bound to be hard-fought, is coming up next spring. Mr. den Uyl was convinced, probably rightly, that he would lose the election if his party gave the least impression that it was trying to undermine the Queen's position.

In the event, he has succeeded in his objectives. The Prince has been stripped of virtually all his public functions, the Queen is still there, and the centrist and right-wing parties have found no way of exploiting the crisis to their own advantage. Unless there are new and unexpected developments in the next few months, the monarchy is unlikely to be an election issue. The Queen will stay on

## West Germany

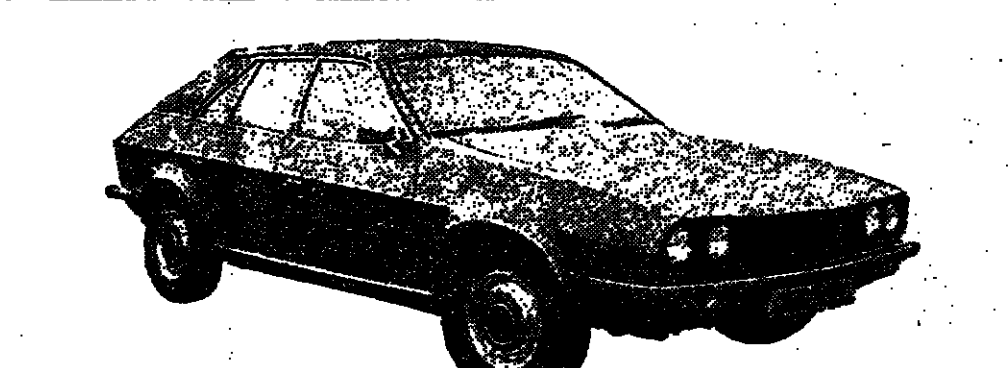
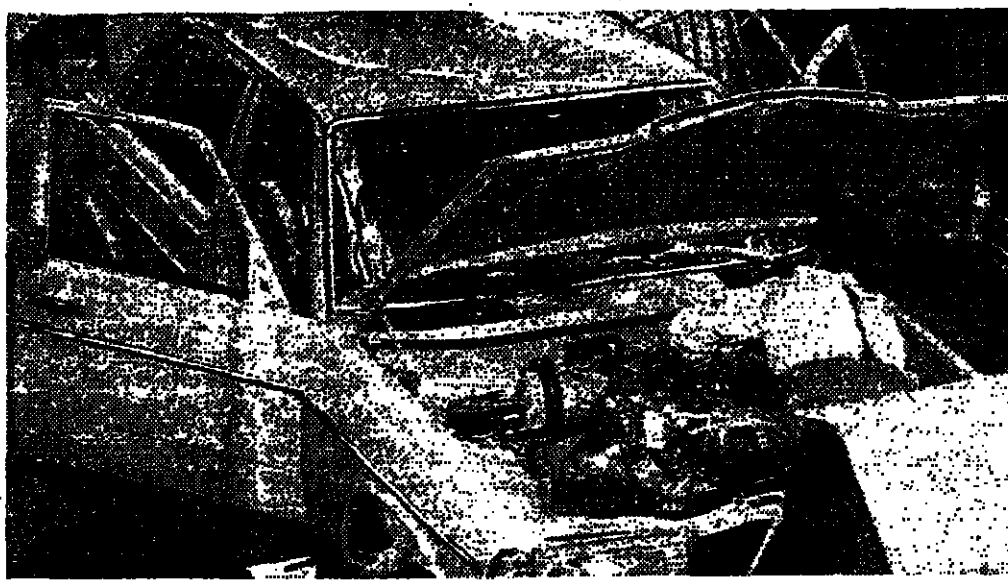
The spotlight now seems set to move on to West Germany, where there has long been speculation that the Bavarian wing of the opposition Christian Democrats could also have been involved with Lockheed. But the Government, coalition, curiously shows no sign of wanting to stir up the allegations as an issue for October's elections. As long as no concrete incriminating evidence exists, they are right. The election should be fought on the overall political choices facing West Germany. But if there is any substance to the rumours, the Government should not hesitate to publish what it knows.

The search for economic motoring has forced manufacturers to re-think diesel power. Terry Dodsworth and Stuart Marshall report on developments in Europe.

## The future for diesel cars

THE DEBATE on the future of diesel cars will develop a new dimension this autumn when Volkswagen brings out a diesel version of its two most popular models, the Golf and the Passat. Until now, the impact of diesels has been confined to the fringe areas of the car industry. As power units for taxis they have proved economical and durable under the strains of urban driving; and in the big executive saloons, most notably the Mercedes, they have won a small, but gradually growing following. Volkswagen, however, will now be putting the diesel engine to the test right in the middle of the mass market.

A few years ago Volkswagen's experiment would have been dismissed out of hand by the majority of opinion in the industry. But not any more. The search for more economic motoring has forced manufacturers to look again at the alternatives to the petrol engine and to question some of the conventional truths about what the motorist really wants. What none of them can now afford to ignore is the rapid expansion of the established diesel market since the oil crisis sent petrol prices spiralling



A Mercedes production line in Germany (top), where the diesel engine has a growing following. British Leyland is to offer a diesel-engined Princess (above).

## Rapid world growth

Diesels still account for only about 1 per cent of all world car production—some 295,000 cars against a total of 25m. manufactured last year. But in 1973 only 210,000 diesels were made, which means that in comparative terms, in a period when car production has been virtually static, the diesel industry has displayed very rapid growth. Both Mercedes, which accounts for about 53 per cent of world diesel car production, and Peugeot (33 per cent), have substantially increased their output. Some experts believe that by the 1980s world diesel car production could be up to the 1m. a year level, accounting for about 4 per cent of total output.

Of the case against diesels, however, remains a strong one. The engine has nothing like the

versatility of its petrol-driven competitor. It needs pre-heating to start from cold, it has much slower acceleration, and a lower top speed. It also gives less power output for a given capacity. To take one example, the old Peugeot 404 petrol engine, a 1,618cc unit, developed 68 horsepower at 5,500 revs per minute. By contrast, the 404 diesel engine, with a capacity of 1,948cc, develops only 57 hp at 4,500 rpm.

In addition, the diesel is noisier than the petrol engine, especially when starting from cold and idling in traffic, and it is a much heavier unit, needing a larger and heavier starter battery and a more robust suspension to carry it. Inevitably this extra weight carries a cost penalty. The average

diesel car is about £200 more expensive than its petrol equivalent, although in Germany Mercedes has trimmed this differential quite substantially further in its favour in the kind of town-driving where petrol-engine consumption tends to soar.

Undoubtedly some of these deficiencies could be reduced by more development work. But the basic characteristics of the present-day diesel are inherent in the diesel concept. Unlike the petrol engine, the diesel works by pressurising fuel until it ignites, and this means compressing the fuel mixture in the ratio of about 22:1 against the petrol engine's 7-10:1. The high pressures built up inside the engine mean that it has to be much stronger, and therefore heavier, than its petrol equivalent: in turn this means that the engine makes more noise, and the car requires stronger suspension and more sound damping—engineers calculate that for every 1 lb added to the engine, the car has to be 1 lb heavier in construction.

Similarly the diesel engine lacks acceleration because it cannot be run as fast as the petrol engine. To induce the fuel to burn at a high speed, the diesel unit demands a lot of air and "swirl" in the combustion chamber, but even using such devices as a pre-combustion chamber, it is difficult to run the small diesel at more than 4,000 to 4,500 rpm. Against all these deficiencies, however, the diesel is much more economical in its use of fuel than the petrol engine, basically because of its inherently more efficient combustion process. For a given

quantity of fuel, it is calculated to give a 25 to 30 per cent better return, with the performance differential swinging further in its favour in the kind of town-driving where petrol-engine consumption tends to soar. The anti-diesel lobby argues that if petrol engines were de-tuned to give similar performance characteristics to the diesel, they could become equally economical, and several manufacturers are believed to be experimenting along these lines. Nevertheless, the advantage at present clearly lies with the diesel.

A second economy in several markets is the cheapness of diesel fuel. As the table shows, there are some countries, notably Italy, where diesel can be obtained for less than half the price of petrol. But this depends essentially on the artificial factor of government policy. Some governments take the view that diesel consumption should be encouraged because of its economy advantages over petrol; others tax diesel and petrol at virtually the same level.

On the face of it cheap diesel fuel should be a considerable attraction to greater use. This certainly seems true of France, the second best diesel market in Europe, and increasingly so in Italy, where a switch to both diesel light commercials and cars is rapidly developing. But Germany is a significant anomaly in this logical pattern, having slightly higher diesel prices, and yet still managing to produce more than 50 per

cent of the world's diesel mounted by the diesel component manufacturers in Europe to take advantage both of the advanced to explain the curious German situation—that the commercial vehicle markets. Within the pulchry third party German insurance system is heavily skewed against vehicles with large horsepower; that a great deal of home heating oil finds its way illegally into cars; and that businessmen travelling on mileage allowances based on petrol engines can make money by running a diesel. "Image" may also have something to do with it. Mercedes has developed a strong identity in Germany, and has also chosen to price its diesels very much closer to its petrol cars than it does overseas. It is the continuing success of companies like Mercedes and Peugeot in expanding their diesel production that is one of the main factors behind the increasing investment in this sector by other manufacturers. This is now going ahead on a broad front.

Citroen has produced a diesel version of its CX which now accounts for about 20 per cent of the car's output, Volkswagen will probably follow up its Golf diesel with a unit for its new Audi 100 (though this is still two years away). Fiat has announced its intention of making a diesel, and British Leyland, which fits a diesel into the same export Marina, is to offer a diesel-engined Princess. Alfa Romeo also recently joined Europe's established diesel car manufacturers by fitting a Perkins engine to its Giulia model. Even in the U.S., where virtually all small commercial vehicles are still petrol-driven, General Motors is investing in expert equipment, whereas they might be tempted not only to build their own diesels from adapted traditionally lukewarm towards the diesel, would make a big impact on the market in general. At present the attention of the European component manufacturers is fixed on the potential for converting the U.S.'s vast fleet of small commercial vehicles from petrol.

But in the longer term, as pollution regulations tighten, there is a chance that the diesel, which may be seen as a useful alternative to low performance petrol engines, while helping U.S. companies reach the higher 15 miles per gallon targets that have been set by the Government, will be a more attractive proposition. In the past few years, for example, the Standard Vanguard was offered with a diesel, which was the same basic engine as the unit used in the Ferguson tractor.

Whether Leyland's attempts to re-engineer its light truck diesel for the Princess becomes anything more than a bow to current fashion, remains to be seen. But at the moment the British industry still seems firmly set against any attempts to foster diesel units at the expense of petrol. To do so, it argues, would suck in more petrol of diesel because the U.K. industry is as yet far equipped to compete. For the time being at least, it looks as though the U.K. will remain the country most out of step in Europe's

programme has been this issue.

U.K. industry antagonistic

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## WORLD AUTOMOTIVE FUEL PRICES (SPRING 1976)

COUNTRY	Non-premium petrol	Diesel
U.K.	71	69
France	89	64
Italy	110	44
W. Germany	78	79
Spain	74	49
Holland	88	44
Belgium	85	54
Sweden	84	35
U.S.	38	34
Japan	100	58
Brazil	19	9
Mexico	47	11

Source: CAV

## MEN AND MATTERS

## Motorcycling the minority way

The Boston Consulting Group's lugubrious report last year on the British motor-cycle industry read like an epitaph, making particular play with the notion that by retreating from its volume base into the specialised "super bike" market, the industry had undermined itself. I wonder what the Boston consultants would have made of the British offerings at the Earls Court Motor-cycle Show this week: it would be virtually impossible to describe any of the presentations as anything but "specialised."

The most extraordinary of these is a machine called a Quasar—after the mysterious stars which are rushing away from us at the speed of light—made by Wilson and Sons Engineering of Bristol, a family company better known for its vending machines. Wilson has produced a two-wheel vehicle which is virtually enclosed, it has a roof and a windscreen, uses a Reliant engine and is made, for patriotic reasons, entirely from British parts. Its engineer, Ken Leaman, says the company is hoping to produce about five a week. The rider, he claims, will remain dry in the worst downpour unless caught in a blustery side wind at the traffic lights.

No one else has tried to produce a waterproof machine but there are some other unusual ventures. One, the Manx motor cycle, has the backing of Guy Harmsworth, a grandson of Lord Northcliffe, who is interested in the idea of making motor-cycles from aluminium plate frames rather than tubes. This would revolutionise the speed of production, he claims, and oddly the Japanese have not yet caught on to the idea. Another company, Silk Engineering of Derby, uses a new



"Can't gurus take holidays too?"

lightweight engine which it hopes to adapt for industrial applications. The bike, says the company, is naturally more expensive than the Japanese competitors, but "lighter and better."

Brought together by Avon, the tyre company, on a single stand, the new British manufacturers speak with more enthusiasm about their future than the Boston Consulting Group ever managed. But they have a long way to go. At the last count the Japanese motor-cycle manufacturers had about 70 per cent of British sales, and foreigners in general 98 per cent.

## Spa fanfare

It is doubtful whether the small German spa town of Bad Neuenahr has seen much like it since Kaiser Wilhelm's days. The place was more or less taken over at the weekend by John Packer's flamboyant event (his

shows come along most years and are major occasions in the textile calendar) to thank those who promote and sell the exclusive suit cloths produced by Reid and Taylor of Scotland. Packer is managing director of Reid and Taylor, part of Allied Textiles, which sells 85 per cent of its output abroad. He has been a strong critic of Government support for individual exporting companies, but all was harmony to Bad Neuenahr, with our Ambassador to Germany a banquet guest and the Royal Scots Guard band handing out the British message at high volume.

## The new green grass of home?

Things are looking up for the city of Montreal and its hard-pressed taxpayers. Specifically, the future earnings power of Montreal's \$1bn. Olympic Stadium, the focal point of the controversy that raged around the spending on this summer's Games, may have received a boost with the news that work has started on replacing the stadium's existing turf with all-weather synthetic grass.

In future, because of this product's ability to absorb punishment, the 73,000-seat Olympic stadium will serve as the home of the Montreal Expos baseball team and the Canadian football league's Montreal Alouettes. It will also be used for rodeos, track and field meetings, soccer, field hockey and lacrosse—all of which should help repay a fraction, at least, of the estimated \$1.6bn. cost of the Olympics.

The synthetic AstroTurf is produced by Monsanto Recreational Surfaces, part of the Monsanto group, and the company has been quick to latch on to the publicity potential of its contract at Olympic Park, observing that Montreal's is the seventh domed or semi-enclosed

stadium to opt for AstroTurf in the past year. Monsanto, which first developed synthetic playing surfaces for sports grounds and stadia, says it has installed AstroTurf in more than 175 major athletic facilities throughout the world since the first was put in to the Houston Astro-dome in 1966.

It has long been argued that synthetic pitches could revolutionise the creaking economics of English soccer, and Monsanto claims that the clubs are beginning to warm to the idea. The cost, per pitch, would be £250,000-£300,000, and despite the effects of English rain (at least as it used to be!), English urban pollution and English sunlight, the pitches should last a minimum of 10 years, says the company.

They could stand a 60-hour week, permitting two League clubs to share the same stadium, Monsanto says. The pitches would have to be vacuum cleaned every two weeks. English soccer clubs accountants will be pleased that the company is now researching the cost ratio for maintaining one of its pitches inside a League ground against one of natural grass.

One of the biggest objections to synthetic grass in the past has been the friction burns the players suffer when falling over, but Monsanto reckons confidently that such fears have been exaggerated.

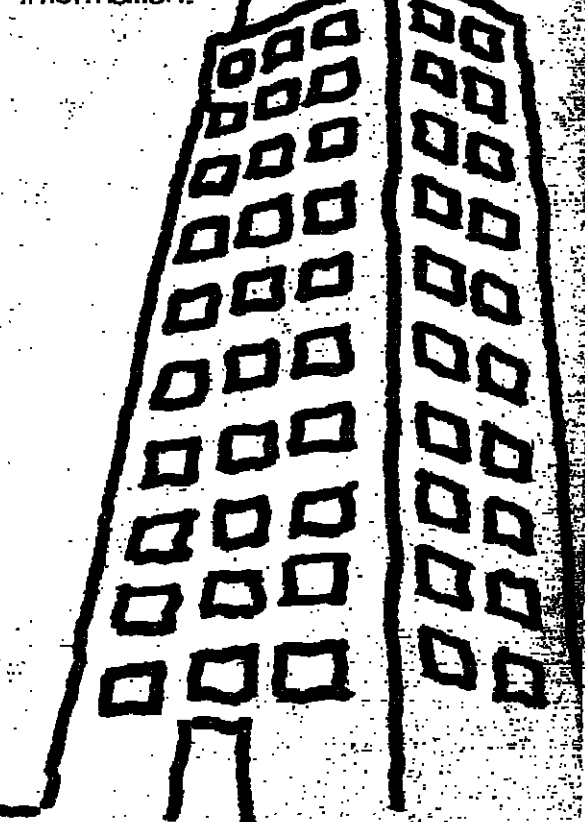
## Don't just lie

"The maintenance of the churchyard is becoming increasingly costly," says a Norfolk parish magazine. "It would be of great assistance if parishioners would do their best to tend their own graves."

Observer

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# Britain's thirsty industry

Week-end rain has not ended the drought. Adrian Hamilton looks at central and local strategy.

The Government and industry face the prospect of water cuts in individual regions over the next months with considerable impact. It is a case of either a very much more official, or the impact of water on industry—a phrase that may not be altogether apt.

And all the talk at the of three-phase strategies of continuing shortages favour essential industry sectors, no one really just how badly off industry is at the moment.

Localised cuts in one of the essential services of industry in other, all water authorities now how much they need from industry to secure a level of supplies, most severely affected have long been in touch local industrialists on conservation.

es. But as the water supply, it is only now Government and industry, most directly concerned, are beginning to work these might be applied minimal economic disruption.

reason, in spite of the ion to blame it all on mbling inefficiencies of lom, is rather more andable. Unlike the y crises" of 1973-74 or recession of particular caused by dockers' or strikes, the drought has ed quite different as in its "micro-ic effect" in different es.

the energy crisis, or a strike, one could decide eral figure of conserva- supply at the centre en try to work out who

ould get priority and who would not; where the points of adequate and inadequate supply were and how the one could help out the other.

In the case of water, it is very much a matter of approach- ing each local crisis as it occurs and trying to work out what industries might be affected and what impact their problems might have on other parts of the country. This task in turn is made immeasurably more difficult by the lack of know- ledge both of where and how industries obtain their water and the interrelationship of particular companies to others.

## Own resources

It is all very well drawing up a list, as some have done, of industries such as paper, chemicals or steel which use a great deal of water. And another list of industries in a crisis area: steel and chemicals in South-East Wales, or textile companies in the Mafix and Huddersfield areas of Yorkshire. But a large proportion—nobody in Whitehall knows just how large—of water-dependent industry relies on its own water resources either from bore holes, as does BSC's Llanwern plant in South Wales, or from local rivers and streams, as do most paper mills. For the moment, most of these "self-reliant" companies seem generally secure. But their situation again depends on water supply, which is itself unpredictable.

As several recent incidents have shown, a river dependent on ground-water in the hills, or a borehole dependent on under-ground accumulations, can change productivity characteristics overnight. Boreholes in Wales and streams in the South-West have reduced flows by as much as 70 per cent. within a

few days. Until companies experience this, there are few who can give warning signs of trouble ahead. Once they do experience it, then they raise the awkward question whether the public supply can be used as a substitute.

Added to this is the considerable difficulty—seen before during the energy crisis—of discovering the secondary and tertiary impact of problems in one plant on essential supplies to another. This is neither the kind of information that the head office of a major manufacturing company would hold nor would the regional directors of the Department of Industry (who are primarily responsible for co-ordinating with the local water authorities on the operation of cuts). It may be simple to say that steel is important but what really needs to be discovered is the effect of production cutbacks in a company like Saunders Valve, in South Wales, which makes most of the larger-diameter valves for the petrochemical plant, on construction activity in Teesside, which is not itself short of water at present. The food processing industry may press its claims for preference at any one time, as it did in Lincolnshire recently, but then its demand may be reduced by the small size of the crop or its seasonal nature.

So far, the official response to the crisis at both local and national level has barely scratched the problem of this lack of information. At national level, there has been a committee on which operations directors of the water authorities have met representatives of the Ministry of Agriculture, Departments of Industry, Employment and Health at the Department of Environment every three to four weeks (now

shortened to every fortnight) since early summer. It was only after this committee, which spent its early meetings trying to co-ordinate the views of the regional authorities as well as discussing the impossibility of working out cycles of rainfall and projects for using spare tanker capacity to tow down icebergs to Cardigan Bay—had concluded that there was an emergency that the standing Cabinet Committee on emergencies got down to considering legislation, and the Drought Bill was introduced.

The Government can be criticised for taking so long to recognise a crisis which, after all, had been growing since the previous summer. But even now that the central apparatus has been expanded to an ad hoc Ministerial committee of Mr. Eric Varley, Mr. Booth, Mr. Peart and others; a supreme Minister, Mr. Howell; a national emergency council including the TUC and the CBI and a telephone-answering unit in the Department of Environment, the role of any central direction must be limited to launching propaganda on long-term investment in water storage and supply flexibility and generally discussing the unpredictability of the winter's weather between themselves and with the unions and employers.

At the local level, far more has already been achieved than has been realised, in relations between local waterboards and industry, to reduce consumption voluntarily. It may be that nationally the warnings came late, but individual water authorities have circulated their views in areas such as Wales and Wessex since early in the year. And the water consumption figures tend to show that

industry has responded surprisingly well.

Voluntary conservation and statutory cut-back are two different questions, however. As the time of statutory cut-back looms not just in south-east Wales but also in parts of the South-West, Yorkshire and the East Midlands, a series of local Water Emergency Planning Committees is being established of variable composition, but generally representing major water users, the water authorities, trade unions, local health officers, police and fire brigade and the regional representatives of the Department of Industry.

## Early stage

Most of them are still at an early stage. Wessex has made a good start with one at Veol and another planned at Taunton. Anglia is planning meetings with industry in Bedford, while Severn-Trent and Yorkshire have committees planned and the Thames Authority is now discussing the prospects.

It is these local committees rather than any central body which will ultimately advise how the local water authority should exercise its statutory responsibility to make cuts, and it is in these local committees, it is hoped, the information will emerge to enable decisions to be made on how the cuts are to be apportioned.

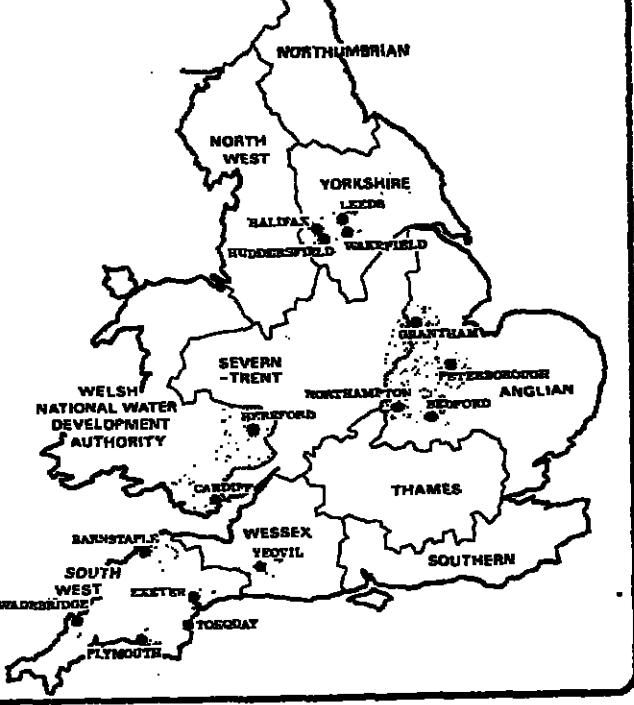
This still leaves the central question: how industry can expect to fare when its region reaches crisis point, and how likely it is to reach that point. On the first question, the answer will only become apparent as the work of the local committees and the actual experience of cuts bears fruit over the next month or more. On the

early evidence of south east Wales, it is clear that industry will be cut when the situation gets bad enough to introduce rationing under Section 2 of the Drought Act. But, with a Government commitment to giving industry priority, industry seems likely to be the last to suffer.

Nor, for all the talk of 30 per cent. across-the-board cuts, are industrial curbs likely to function as brutally as this. On the Welsh experience, the first to be cut will be those that have alternative supplies (such as BSC and the NCB) or can find alternative supplies (as ICI at Pontypool). If the local committees can define the picture closely enough, there will be discrimination between companies whose claim to preference is as a supplier to other industries, as an employer, or as an exporter. Some industries, following the representations of such as chemicals and textiles will be able to cut down certain processes or lines altogether in order to keep others going full blast—although nobody is very happy at the thought of what will happen if a major user like BSC runs out of its own resources.

No one is prepared to predict the extent of the crisis for British industry. What is clearly worrying Ministers is the distinct prospect that a dry autumn and an average or less-than-average rainfall in winter will leave industry, and society as a whole, in a very bad state to face next spring and summer. Yet weather experts have little or no means of forecasting the medium or long-term weather patterns. Caught between a desire to impel the public towards conservation in the interests of next year, and a reluctance to introduce Section

## AREAS LIKELY TO INTRODUCE SEVERE RESTRICTIONS



2 rationing, which must inevitably disrupt the life of the community, the Government is still really biding its time. Those authorities near des- peration this autumn are planning statutory curbs. Those not in danger if there is too little rain by next spring, are holding back. Given the lack of short-term flexibility in regional water supplies, it is difficult to see what else the Government can do, short of introducing general domestic rationing for the sake of morale, "sharing the misery" as it were, or going for a dramatic plan for the relocation of industries. There are certainly some members of the Government who feel that this is what the Cabinet should be considering now. But the ramifications would be immense, incalculable and troublesome—all the more so because no one can be certain that the measures would be necessary.

This leaves industry more or less in the same position as it was a few months ago—doing its best to conserve water on its own and waiting for the authorities to bring in restriction. The problem for the authorities is complicated by having to see how boreholes and rivers behave and how particular regions fare in the near future. Stone cleaners, hose-pipes and swimming pool manufacturers and garden centres may have already been hit. The Post Office will no doubt gain extra income from individuals telephoning complaints about their neighbours wasting water. Watering cans and plastic receptacles producers and mineral water importers are gaining increased sales. But for industry as a whole, it is a question of "wait and wait, and for goodness sake make your own problems and fears known as soon as possible, because we're in the unknown from here on."

## Letters to the Editor

### Post-graduates' value

Professor H. Bowen-Jones  
—I am disturbed by your of August 26 "The pur- of post-graduate training," a perturbed in particular use your article disappoints if not all the criteria by most of us test and thereby post-graduate students.

Post-graduate studies are nentially important because are research-based. Utili- ism is founded on the on "what for?" research is ed on the question "why?" my fairly obvious field of "stressed" medicine, ogy, most types of engi- g, etc., the "why" and for" are clearly closely ted. In others, such as ament, marketing, publi- ization, etc., the associa- appear remote. What is an importance however is ither or not post-graduate throw up answers which mediately useful, valuable this may be, but whether edate training produces t of people needed by

### Management training

From Mr. J. Warburton.  
Sir, I am to argue with my old friend (and acknow- ledged authority on management training) John Wilson of BIM. I rather think that he misses the essential issue in his response (August 24) to the letter from R. Vable.

In U.K. at this time the training inputs for management development are plentiful. Indeed so many are offered that there is confusion among the very people who should benefit from them. The real issue is that few senior executives will accept that the responsibility for management development is an in-company task and that the many courses—seminars—conferences must be supplementary activities to a basic attempt to match the training available with the needs of a particular executive group.

Too many managing directors expect ready-made managers and the "poaching" situation that this expectation brings about is not good for the individual, the company or the community at large. The solution is to have a senior executive more involved in the selection and development of managers for present and future needs. A senior man already in the organisation knows the company's needs and should be keeping a running assessment of managerial performance to enable the areas that need strengthening to be identified.

The dovetailing of the many services available with the men who can use them and need them is vital. It considers the needs are not to be wasted and if the management group is more than 30, considerable effort needs to be put into helping the team help itself by group activity and guided reading.

I have been immersed in management activity for the last 12 years with far less facilities than are readily available in U.K. so the need to be more self-reliant has been cultivated in all of the companies I have worked with, maybe I should come home!

John T. Warburton,  
Regional Adviser,  
ESCAP International Trade Division,  
11/V Buildings,  
Rajdamern Avenue,  
Bangkok, Thailand.

### The electoral system

From Mr. H. Page  
Sir,—Though Professor Tullock's pamphlet "The vote motive" (Samuel Brittan, August 26) will certainly provide an invaluable stimulus to greater understanding of political economy in Britain, I feel that too close an analogy drawn between business and Government has caused both Professor Tullock and your reviewer to take an over-complicated view of a political system such as we have in this country.

The assumption that a party or Government will maximise support in the country leads to the "obvious" conclusion that parties will take "middle-way" positions very similar to each others. In fact, parties do not need to maximise their vote in the way that businessmen

maximise their profit. It makes no difference, in Britain, whether a party wins a majority of (say) 300 or 200, and a closer approximation to party motives would be to think of them as maximising votes up to the level needed to win an election, and then as following their political inclinations.

The last election showed that the percentage of the electorate needed to win a British election is only about 30 per cent. It follows that there is no reason why the major parties should approach a moderate consensus, and indeed experience shows that, on the contrary, they are probably better advised to adopt policies which will ensure the active backing of their natural supporters.

Only a change in the electoral system which required a Government to win a much larger measure of support in the country would lead to the happy consensus envisaged by Professor Tullock and Mr. Brittan.

Hugo Page,  
Conservative Action for Electoral Reform,  
6, Queen Street, Mayfair, W.1.

### Water on the meter

From E. Sykes  
Sir,—I read with interest in the Financial Times of August 25, the conflicting views of the chairman of the Folkestone and District Water Company and those of the manager of the Wrexham and West Denbigh Water Company.

The former states that if water metering is applied costs will increase while the manager of the Wrexham and West Denbigh Water Company states that a metering scheme would be "attractive," presumably meaning financially, to those whose premises have a variable value greater than £250 p.a.

If costs increase with metering from whom or what source would the extra revenue apparently required, be obtained?

E. Sykes,  
35, Longfield Grove,  
Broadgreen, Liverpool.

### Oh to be in Wrexham

From Mrs. R. Epps  
Sir,—Re the letters from the chairman of the Wrexham and Denbighshire Water Co. and the chairman of the Folkestone and District Water Co. (August 25).

I am sure that many house- holders who have read these two letters would find it very apt to repeat to themselves "Oh to be in Wrexham now that Seddon's there." The chairman of Folkestone's letter is full of the bureaucratic statistics of the civil servant; it is not the fault of the water engineers that we are in a situation which belies commonsense but that of top management. Has it never occurred in authority that one man is capable of reading three meters at one and the same time, namely gas, electricity and water. The job would be more interesting and would command more money.

As for water meters, they are used in many areas, can they, therefore, be a nonsense?

Ruth Epps,  
Governor's House,  
New Romney, Kent.

### The words of Timothy

From Mr. S. Ghosh  
Sir,—I enjoy immensely Dr. Carrick's articles on Mondays. His remark (August 25) on the last few words of Timothy 5:

23 prompts me to offer an explanation. The first and most obvious of these three in fact, is "thine" and "their" as printed. The Authorized, as well as one or two other versions, agree that these three words indicate Timothy's frequent illnesses which presumably originated in his stomach.

It ought to be understood that there is a great deal of difference between wine fermented from grapes or other fruits and whisky distilled from barley or whatever else. So to use Timothy 5: 23 in support of imbibing whisky would not be quite correct.

Sunil K. Ghosh,  
21, Woodfield Road,  
Peterborough.

### Tolerate tourists

From the Hon. Executive Officer York Tourist Development Association.  
Sir,—The report from Arthur Sandles (August 25) which stated that the U.S. Government is considering a code for tourists, was most interesting.

York Tourist Development Association published just such a code for conduct in York last year. This was placed in hotels, at places where tourists congregate and at points of arrival in the city, and we hope achieved some small measure of success.

My current view, however, is that not only must we encourage visitors to be more responsible but that residents too, must be urged to greater tolerance. There is always a clamour against visitors when in fact we are all tourists ourselves at some point in time. Many of the grievances levelled at outsiders tend to be just our general dissatisfaction with living in the 1970s. Nor do I subscribe to the view that tourism is only worth developing where there are benefits or where there are held to outweigh disadvantages. Life is too short for this view. People should welcome others to their home resorts and not count the cost.

Christopher B. Martinis,  
49, Stogate,  
York.

### Dividend restraint

From Mr. J. Andrews  
Sir,—As the unemployment figure passes the 1.5m. mark, pressures are mounting for the Government to reconsider its policies in order to reverse this socially and indeed politically unacceptable trend.

Misguided prejudice against those who provide capital for the creation of jobs has prevented the Government from understanding the damaging effect that its stand on continuing dividend restraint is having on the unemployment trend.

Before earnings in real terms can rise and before unemployment can recede, it is evident that the preparation of these objectives must have priority. The Government appears to show little understanding of this economic truth, or if it has, its endeavour to press the message home to the country is lacking.

By lifting dividend restraint, there are many companies, both small and large, which would then not only be able to provide a more realistic return to those investors who are already risking their capital, but also it would instil the confidence that is such a necessary ingredient for further investment to be made.

### Restoring confidence

From the Chairman, Park Place Investments.  
Sir,—A change of Government would restore confidence in the pound. Restored confidence in the pound would raise the price of gilt-edged securities. A lower yield on gilt-edged securities would help to lower interest rates. Lower interest rates would encourage industry to invest. Further investment would create further employment.

I firmly believe that every human being in Britain who works or who wants to work, is materially worse off under a Socialist Government.

Mr. J. R. Frankel,  
56-142, Brunley Road, W.10.

### Hospital charges

From Mr. A. Mackay  
Sir,—It was proposed recently that charges should be made by the hospital services for treatment of road casualties. Surely there is a much more urgent step to be taken, namely charges for foreign patients.

If we British go abroad, particularly to countries like America, it is essential for most of us to take out a sickness and accident policy. For the countries one can go through the process of filling form C31 (year-off) in order to receive form E111 (by post) which entitles one to free—or part of the cost of—treatment. Contrast this with the foreign visitor who falls ill in this country or comes here, that is, from Ireland, to give birth. They can get a hospital bed and treatment free without producing a form E111 or similar.

Some time ago two cases were reported in our Press. An American reckoned that his free "hospitalisation" in Charing Cross would have cost him \$10,000 at home. A Nottingham man, uninsured, taken seriously ill in the South of France ran up charges of £2,200.

When the National Health Service began in 1948, free treatment for all—British and foreign—was provided. Shortly after the war foreign tourists were few. Now they run into millions and it is high time all foreign visitors were charged the full cost of bed and treatment, except those from countries which treat British visitors free, that is, similar to double taxation conventions.

Two advantages would follow. First, the charges might help to pay our doctors and nurses more, to stop them going abroad after qualifying, and secondly, the abolition of the CMI and E111 forms procedure would result in a further reduction of the swollen ranks of the civil service and its cost.

A. G. A. Mackay,  
37, Park West,  
Marble Arch, W.2.

## To-day's Events

- GENERAL**  
Dail (Irish Parliament) recalled in pass counter-subversion measures, Dublin.  
Second day of United Nations symposium on use of solar energy (ends September 3), Geneva.  
International Congress of Geological and Herpetological Sciences opens (ends September 7), Imperial College, S.W.7.  
Housing statistics, completions and renovation grants (July, provisional). Bricks and cement production (July).  
**COMPANY RESULTS**  
Imperial Metal Industries (half-year).  
Ladbroke Group (half-year).  
**COMPANY MEETINGS**  
See Week's Financial Diary on Page 8.  
**EXHIBITIONS**  
Landscapes from Royal Collection, Queen's Gallery, Buckingham Palace.  
Books created by artists worldwide, Institute of Contemporary Arts, Nash House, The Mall, S.W.1.  
Hong Kong Trade Exhibition, Trade Centre, Commonwealth Institute, High Street, Kensington, W8.  
European Model Railway Festival, Central Hall, Westminster.  
**BALLET**  
London Festival Ballet dance Coppelia, Royal Festival Hall, S.E.1, 7.30 p.m.  
**MUSIC**  
Orchestra of Royal Opera House, Covent Garden, conductor Colin Davis, with Howard Sherry (piano), Maria Napier (soprano), Richard Cassilly (tenor) and Aage Haugland (bass), perform Weber (Overture: Konzerstück in F minor); and Wagner (Die Walküre Act 1), Royal Albert Hall, S.W.7, 7.30 p.m.  
**SPORT**  
Golf: Sun Alliance championships pre-qualifying, Kings Norton.  
Tennis: Junior championships, Wimbledon.

This announcement appears as a matter of record only.



**CANADIAN FERTILIZERS LIMITED**  
Medicine Hat Nitrogen Complex

CDN. \$172,000,000

Project Construction Financing

Arranged jointly by

**PROJECT FINANCING GROUPS**

Bank of Montreal Canadian Imperial Bank of Commerce

Provided equally by

Canadian Imperial Bank of Commerce Bank of Montreal

June 30, 1976







Sept. 1-2	Financial Times: World Aerospace	London Hilton, W.1
Sept. 1	IPM: Elements of Personnel Admin.	Park Court Hotel, W.2
Sept. 1-3	IEE: Magnetic Materials and their Applications	IEE, Savoy Place, W.C.2
Sept. 1	ICMA: Man. Accounting for Non-Fin. Managers	Piccadilly Hotel, W.1
Sept. 4-10	Practical Skills of Managing People at Work	Bradford University
Sept. 7-Oct. 1	Harry Markowitz: Work Study	Besford, Wiltshire
Sept. 7	Oyco: Tax Planning for Partnerships	Europa Hotel, W.1
Sept. 7-9	Urwick: Man. of Finance in Construction Cos.	Management Centre, Slough
Sept. 8-10	EW Institute: Int. Countermeasures Conf.	London Hilton, W.1
Sept. 8-10	BSI/ISO: Int. Consumer Forum	20, Duchess Mews, W.1
Sept. 11	IPS: Procurement - The Years Ahead	York University
Sept. 12-24	W. Scott: Advanced Organization and Methods	Swindon
Sept. 13-14	Ass. Cert. A.C.C.s: Cash Flow and Liquidity	Burnington Hotel, W.C.1
Sept. 13-17	Internet (U.K.): Project Implementation and Man.	Nat. Exbn. Centre, B'ham.
Sept. 13-17	PERA: Value Engineering	Mellon Mowbray, Leics.
Sept. 13-17	Abbraxas: Synthetics-Innovative Skills	68, Churchway, N.W.1
Sept. 13-17	Brunei Univesr: Work-Study Negotiations	Exbridge, Middlesex
Sept. 13-17	Keppner-Tregoe: Decision-Making for Senior Man.	Saunders
Sept. 13-Oct. 1	Computer Power: Basic Cobol IBM	Cannock, Staffs.
Sept. 14	Inter-Credit: Management Seminar	London Hilton, W.1
Sept. 14-16	Marketing Imp.: Effective Selling	Uster House, N.W.1
Sept. 15	Sheffield Ch. Com.: Industrial Security	Sheffield
Sept. 15-16	Financial Times: Total Personnel	Royal Lancaster Hotel, W.2
Sept. 16	Henley Centre: U.K. Leisure Markets to 1981	Carlton Tower, S.W.
Sept. 16	BTM: Legal Protection for Employees	Parker Street, W.C.2
Sept. 20-24	Convention Informatics (part of SIOCB Exbn.)	Paris
Sept. 21	Inst. Grocery Dist. Management Seminar	Bloomsbury Centre Htl., W.C.1
Sept. 21	RACE Annual Conference	Notts University
Sept. 21-23	Offshore Centre: Business Development	Sheffield Hallam University
Sept. 23	Legal Studies: Commercial Tenancies	Royal Lancaster Hotel, W.2
Sept. 27-30	Env. Health Officers' Assn. Congress	Harrgate
Sept. 28	IBA: Exct. Remuneration and Fringe Benefits	Royal Garden Hotel, W.3
Sept. 28-Oct. 1	Inst. of Petroleum annual conference	Fairbourne
Sept. 30-Oct. 1	Financial Times: The Banker, Investment House & Assn. of the Philippine Investors Chamber and Malaysian Airlines System: Business in the Pacific Basin	Manila
Sept. 30-Oct. 2	MCE: International Cash Management	Oslo







1. Full Day Sept. 1

Bonds

1. Sept. 1



# MINERALS & RESOURCES CORPORATION LIMITED

(Incorporated in Bermuda)

## YEAR END RESULTS AND FINAL DIVIDEND ON THE ORDINARY SHARES

The following are the unaudited results of the Corporation and its subsidiaries for the year ended 30th June 1976 together with comparative figures for the year ended 30th June 1975. These should be read in conjunction with the adjoining notes.

### CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH JUNE 1976 (expressed in United States dollars)

	1976 \$000's	1975 Restated \$000's	1976 \$000's	1975 Restated \$000's
<b>INVESTMENT INCOME</b>				
Dividends from investments	10,101	9,110		
Interest and net sundry income	2,701	6,641		
Zamco operations	439	1,204		
Administration and other expenses	1,048	1,223		
Interest on six per cent registered loan	280	298		
Other interest	12	—		
Costs of prospecting	4,467	3,323		
Net loss arising from currency fluctuations	297	1,101		
	6,104	6,145		
<b>PROFIT BEFORE TAXATION</b>	7,137	10,810		
Foreign taxation	193	376		
<b>PROFIT FOR THE YEAR</b>	6,944	10,434		
Transfers from (to) reserves:				
Currency reserve	297	1,101		
Prospecting reserve	1,467	323		
Capital reserve	(169)	—		
	1,595	1,424		
Profit available for distribution (Note 2)	8,539	11,858		
<b>APPROPRIATIONS</b>				
Ordinary dividend No. 79 (final) of 2 cents (U.S.) declared 27th August 1976 payable on or about 15th October 1976	653	4,434		
"A" ordinary shares (note 2)	7,717	5,892		
	5,550	10,326		
	189	1,532		
Unappropriated profit 30th June 1975 as previously reported	14,207	12,541		
Overprovision for foreign taxation in prior years	118	—		
As restated	14,325	12,541		
Adjustment thereto arising from currency fluctuations	39	282		
	14,364	12,798		
<b>UNAPPROPRIATED PROFIT 30th JUNE 1976</b>	14,553	14,325		
<b>CONSOLIDATED BALANCE SHEET AS AT 30th JUNE 1976</b> (expressed in United States dollars)				
Capital	103,027	103,027		
Share premium	127,128	127,128		

### NOTES:

#### 1. Final Dividend

The Directors have today declared a final ordinary dividend (No. 79) of 2 cents (United States currency) a share in respect of the year ended 30th June 1976 payable to members registered in the books of the Corporation at the close of business on 10th September 1976 and in persons presenting Coupon No. 52 detached from share warrants to bearer. Dividend warrants will be posted from the registered office of the Corporation in Bermuda and from the Johannesburg and United Kingdom offices of the local registrars on or about 14th October 1976. Currency and other details relating to the payment of this dividend are given in a separate announcement.

#### 2. 'A' Ordinary shares

The special arrangements relating to the 'A' shares whereby the dividend distributions on these shares were limited to the income received on the investment in Engelhard Minerals and Chemicals Corporation (EMC) after expenses attributable thereto, will terminate on 10th October 1976, after the payment of the ordinary dividend, and from that date the shares will be converted to ordinary shares and rank pari passu in all respects with the existing ordinary shares of the Corporation.

Net profit attributable to the 'A' ordinary shareholders for the year ended 30th June 1976 is as follows:

Dividends from EMC	US dollars 7,760,227
Less: Expenses (included in administration and other expenses) directly attributable to 'A' ordinary shareholders	US dollars 50,000
Add: Undistributed income brought forward at 30th June 1975	US dollars 7,710,227
	US dollars 6,538

Net profit distributed as below:  
Dividends on 'A' ordinary shares  
Nos. 5 to 8 totalling 18,4132 cents US dollars 7,717,085

**3. Zambia Copper Investments Limited (ZCI)**  
The Corporation holds a 49.98 per cent interest in ZCI which in turn holds a 49 per cent interest in Nchanga Consolidated Copper Mines Limited (NCCM) and a 12.25 per cent interest in Roan Consolidated Mines Limited (RCM). In May 1976 the Zambian Authorities granted approval for the externalisation of K500,000 (US Dollars 770,000) of the dividends held in Kwacha in Zambia, previously paid to ZCI by NCCM and RCM which amounted to US Dollars 11,322,000 at the then prevailing rate of exchange. Neither of these two dividends will be prejudiced by amended Zambian Exchange Control regulations, imposed since the initial delay in externalisation.

The announcement by the Bank of Zambia on 9th July 1976 of the immediate 20 per cent devaluation of the Kwacha against the dollar had the effect of reducing the value—in dollar terms—of dividends for which ex-

ternalisation permission is still awaited, from US Dollars 10,544,000 to US Dollars 8,438,000. Both NCCM and RCM have declared no dividends in respect of ZCI's year ended 30th June 1976 and it has been necessary for ZCI to pass dividends for that financial year. As announced in the half-year report, the Corporation has granted loans to ZCI at commercial rates of interest. These loans which amounted to US Dollars 2,544,000 at 30th June 1976 are to be repaid before any further dividends can be paid by ZCI.

#### 4. Trend Exploration (Trend)

It was recently announced in the Press that agreement had been reached between the Indonesian Government and Petromin Trend regarding modification of the oil production sharing contract. Petromin Trend, a division of Trend, holds a 27 per cent interest in the contract and is the operator for a consortium of international companies. Trend is held as to 43 per cent by Minorco and 57 per cent by Francos Oil and Gas Limited of Calgary. On 12th August 1976 therefore, Trend was obliged to sign an agreement with Pertamina, the Indonesian state oil agency, which amended the terms of the production sharing contract with effect from 1st January 1977. Although it is not possible to determine precisely the effect of these modifications, the overall cash flow and earnings of Trend will be materially reduced. These amendments include an increase in the Government's share of profits to 85 per cent as well as the requirement that capital expenditure should be amortised over a period of years instead of on a current basis. In addition the consortium will be required to make cash payments to Pertamina of about 36 million dollars during the remainder of 1976 and the first quarter of 1977, most of which will be recovered in subsequent years out of production revenue. Pertamina has indicated that the production sharing contract will be amended in a form that will comply with the United States' Internal Revenue Services foreign tax credit requirements.

**5. Interest Received**  
Interest includes interest received from ZCI in respect of loans per note 3 above.

By order of the board  
W. D. Wilson, Directors  
Z. J. de Beer

**U.K. Registrars:**  
Charter Consolidated Limited,  
P.O. Box 102,  
Charter House,  
Park Street,  
Ashford,  
Kent TN24 8EQ.

**Registered Office:**  
Belvedere Building,  
Pitts Bay Road,  
Pembroke,  
(P.O. Box 650, Hamilton 5)  
Bermuda

**S.A. Registrars:**  
Consolidated Share Registrars Limited,  
62 Marshall Street,  
Johannesburg 2001,  
(P.O. Box 61081, Marshalltown 2107),  
South Africa

27th August, 1976

## INSURANCE

# Motorists face further rises in premiums as costs increase

BY ERIC SHORT

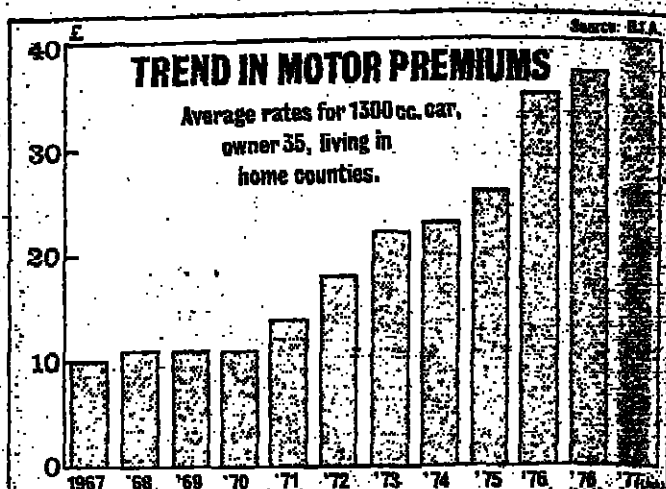
MOTORISTS SHOULD by now be hardened into accepting increases in their motor premiums. The table shows that so far each time the renewal notice arrives, yet the announcement is expected to announce increases for October 1-12 months after the last rise. The British Insurance Association does not expect the overall increase for 1976 to exceed 12 per cent compared with 40 per cent rises on average for 1975.

The rate at which motor premiums are increased by insurers depends on several factors—the chief being the cost of repairs, the cost of spares and the cost of third party awards. Mr. Hudson pointed out that repairs costs are about 20 per cent higher than a year ago and full cost of hospital treatment in courts awards are now 35 per cent above those being given last year.

Using these figures it seems a reasonable assumption that rates will rise 20 per cent and about one-fifth of private motorists are insured with Lloyd's syndicates. But what about the other motorists who insure with the other companies large and small, can they expect a similar level of increases?

### The norm

So far this year companies have been raising rates by much lower amounts and far less frequently than in the black days of last year. Now 10 per cent seems to be the norm—the Royal Insurance put up its rates by this amount last month—and companies have returned to annual increases compared with list of motor premium rates for



all classes of cars and all sub-divisions of areas, which is updated regularly.

This information is contained on file in a computer and brokers who subscribe to the service can obtain through a computer terminal a list of premium rates in order of size to meet the needs of any client.

A word of warning, however, the cheapest rate is not necessarily the best policy for the motorist, the reputation of the company is vital, especially in paying claims. However, the broker should be able to advise which company in the top five is suitable for his client.

Quotest is now publishing a monthly guide of highest and lowest rates for selected areas in major areas. The differences are astonishing. For example more careful in their driving

## Granite Overseas Corporation N.V.

(Incorporated in the Netherlands Antilles with Limited Liability)

Meeting of Holders of \$14,865,000 6 1/4 per cent. 15 year Convertible Bonds of 1969

NOTICE IS HEREBY GIVEN that a Meeting of the holders of the \$14,865,000 6 1/4 per cent. 15 year Convertible Bonds of 1969 of the above Company will be held at Winchester House, 100 Old Broad Street, London, E.C.2 on Thursday, September 23, 1976 at 12 noon when the following resolutions will be proposed as Extraordinary Resolutions within the meaning of the Trust Deed dated 26th March, 1969 constituting the said Bonds:—

### EXTRAORDINARY RESOLUTIONS

1. "That, subject to the following condition having been satisfied on or before November 26, 1976, namely:— the offer to the holders of the outstanding \$13,680,000 6 per cent. Convertible Subordinated Debentures, due 1987 ("the Debentures") of Midland Resources, Inc. ("the Guarantor") to exchange each \$1,000 principal amount of the Debentures for 400 shares of the Common Stock, par value \$0.50 per share, of the Guarantor ("the Exchange Offer") being accepted by the holders of at least 70 per cent. in principal amount of the Debentures and the Exchange Offer otherwise becoming unconditional and effective, except for the passing of this and the next following Extraordinary Resolution

this meeting of the holders of the 6 1/4 per cent. 15 year Convertible Bonds of 1969 ("the Bonds") of Granite Overseas Corporation N.V. ("the Corporation") constituted by a Trust Deed ("the Trust Deed") dated 26th March, 1969 made between the Corporation, the Guarantor (then named "Granite Equipment Leasing Corp.") and Schroder Executor & Trustee Company Limited ("the Trustee") as trustee for the holders of the Bonds ("the Bondholders"), pursuant to paragraph 14 of Schedule 2 to the Trust Deed, hereby:—

(1) sanctions every abrogation, modification, compromise or arrangement in respect of the rights of the Bondholders against the Corporation and sanctions the compromise or arrangement between the Corporation, the Guarantor and the Bondholders involved in or proposed to be effected by the substitution of the Guarantor for the Corporation as "the Company" as defined by the Trust Deed in the intent that the Guarantor should assume all the obligations of the Corporation thereunder in accordance with the terms of the draft Supplemental Trust Deed produced to the meeting;

(2) approves the said substitution; and  
(3) assents to the modifications of the provisions in the Trust Deed proposed to be effected by the said draft Supplemental Trust Deed and authorises and empowers the Trustee to concur in, execute and deliver a Supplemental Trust Deed in the form of the said draft and execute and do all such other deeds, instruments, acts and things as may be necessary to give effect to this Resolution and the said substitution.

2. "That subject to the preceding Extraordinary Resolution becoming unconditional and effective and the execution of the said Supplemental Trust Deed, this meeting of the holders of the Bonds pursuant to paragraph 14 of Schedule 2 of the Trust Deed, hereby:—

(1) agrees to waive all rights against the Guarantor in respect of the interest on the Bonds due for payment on 1st April, 1976 and otherwise accruing since 1st October, 1975;  
(2) sanctions every abrogation, modification, compromise or arrangement in respect of the rights of the Bondholders against the Guarantor involved in or proposed to be effected by the redemption and cancellation of the Bonds in exchange for 400 shares of Common Stock (in registered form), par value \$0.50 per share, of the Guarantor credited as fully paid for each \$1,000 nominal amount of the Bonds;  
(3) approves the said cancellation and exchange; and  
(4) authorises and empowers the Trustee to concur in, execute and do all such deeds, instruments, acts and things as may be necessary to give effect to this Resolution and the said exchange and, upon payment to the Trustee of all monies payable to the Trustee pursuant to the Trust Deed in respect of remuneration, costs, liabilities and expenses and upon the Trustee being satisfied as to the arrangements for the issue by the Guarantor of the said registered Common Stock in exchange for the Bonds, to release the Corporation and the Guarantor from all liabilities in respect of the Bonds and interest thereon and all other liabilities of the Guarantor under the Trust Deed and the Trustee shall thereafter be released and discharged from all liability in respect of the Bonds under the provisions of the Trust Deed.

The above Extraordinary Resolutions are proposed in connection with a reorganisation of the Guarantor, details of which are given in a Registration Statement of the Guarantor declared effective by the Securities and Exchange Commission of the United States of America on August 27, 1976, a copy whereof (together with a draft, subject to modifications, of the Supplemental Trust Deed referred to in the above Resolutions) can be seen at any of the following offices:—

Schroder Executor & Trustee Company Limited  
Citibank, N.A.  
120 Cheapside, London, E.C.2  
Corporate Trust Office, 111 Wall Street, New York, N.Y. 10015.

Citibank, N.A.  
Citibank, N.A.  
Citibank, N.A.  
Citibank, N.A.  
Banca Commerciale Italiana  
Dresdner Bank AG  
Banque Internationale a Luxembourg S.A.

A copy of the above-mentioned Registration Statement will be made available for inspection by any Bondholder upon request to any of the above offices and can also be obtained from the office of the Securities and Exchange Commission, 500 North Capitol Street, Washington, D. C. 20549.

The Corporation has been advised that it is necessary to request the Bondholders to pass the above two Extraordinary Resolutions, rather than a single Resolution, in order to facilitate receipt of certain tax rulings from the United States Internal Revenue Service.

The Securities Division of the American Stock Exchange has made a determination to delist the Common Stock of the Guarantor, which is appealing against such determination; unless reversed on appeal, the Common Stock will be delisted. As a consequence, the Stock Exchange in London has temporarily suspended from 8th March, 1976 the listing of the Bonds on the Stock Exchange.

In order to vote at the Meeting, Bondholders must deposit their Bonds at one of the above-named offices not less than 48 hours before the time appointed for holding the Meeting and obtain a Memorandum of such deposit (signed by an official of the Trustee or of any such Bank) which must be produced at the Meeting by the Bondholder attending the Meeting. The Bonds deposited will be retained and will not be returned to the depositor in the event of the said Resolutions being duly passed and becoming unconditional; notice of which event will be published in this newspaper. After publication of such notice, the Bondholder who has deposited his Bonds, or such other person as he may have designated in writing, will be entered in the register of the shares of Common Stock of the Guarantor as the holder of the number of such shares to be issued in respect of the deposited Bonds in accordance with the second of the said Resolutions and a registered certificate therefor will be issued to him, within 28 days thereafter to the person and address notified for registration of the said shares. The said notice to the passing of the said Resolutions will include appropriate instructions to those Bondholders who have not already lodged their Bonds regarding the deposit of the same at one of the offices so as to obtain a registered certificate for the shares of Common Stock to which they, or their nominees, will then be entitled.

In the event of the first of the said Resolutions not being passed or not becoming unconditional on or before November 26, 1976, a notice will similarly be published requesting the Bondholders who have deposited their Bonds to surrender the Receipts for the Bonds in order to obtain their return.

The quorum for the Meeting is holders present in person or not becoming unconditional on or before November 26, 1976, a notice will similarly be published requesting the Bondholders who have deposited their Bonds to surrender the Receipts for the Bonds in order to obtain their return.

In order to avoid the need to hold an adjourned Meeting, Bondholders are strongly urged by the Corporation and the Guarantor to arrange for their Bonds to be represented at the Meeting. If you are in any doubt as to the procedure to be adopted you should consult a Paying Agent, your Bankers or your other professional advisers without delay.

At the above-mentioned Meeting of the Bondholders, the passing of each Extraordinary Resolution requires a majority consisting of not less than three-fourths of the persons voting thereon upon a show of hands or, if a poll be duly demanded, then by a majority consisting of not less than three-fourths of the monies given on such poll. If duly passed, the Resolutions will be binding upon all Bondholders whether present or not present at the Meeting.

By Order of the Board  
Stephen L. Bernstein, Director

August 31, 1976

Registered Office:  
6 John B. Gorsirweg, Willemstad, Curacao, Netherlands Antilles



## INTERNATIONAL COMPANY NEWS + EURO MARKETS

## OBONDS

## Emphasis on the primary sector

MARY CAMPBELL

U.S. DOLLAR secondary strong management group is was quiet last week with variable buying interest channelled into the primary sector. However, the new issue calendar appear to have sparked off any significance, the new issues which were priced more aggressively than had been indicated few more new issues announced.

Swiss White Weld some controversy when the Province of Saskatchewan at 101—issues have been priced at such a level in this market before. The issue had already increased from \$50m. to \$100m. at the issue was too heavily priced—it was sub-quoted hardly below other, such a big change indicated terms made last moment was felt to be "not cricket."

Issues which closed last included Mitsui Engineering Shipbuilding, priced at a quarter-point coupon of 7 per cent., and Caisse des Autoroutes, the che Ersson and Avo par. The size of the Hydro issue has been \$75m. to \$100m. but put pricing is still

announced in the last clude the first Canadian and for some weeks. It 50m. for the Bank of L. The maturity is a ad it offers an indicated ent—which is too low, commentators suggested, outstanding Canadian issues. The three-bank

## Hong Kong listing rules

HONG KONG, Aug. 28.

ALL LISTED companies in Hong Kong are required to have approved share registrars under new rules published by the Securities Commission and coming into effect on September 1, the Government Gazette said.

The rules, known as the Securities (Stock Exchange Listing) Rules 1976, say that the securities of a company shall not be listed on a Stock Exchange—in the case of listed securities that deal in the securities shall be suspended—unless the company either is or employs an approved share registrar.

Existing listed companies have three months to comply with the change, but companies seeking a listing cannot have this approved unless they comply with the new rules.

## Senate approves

THE SENATE approved legislation to require owners of 2 per cent. or more of a stock of a U.S. company to disclose their name, residence and nationality to the Securities and Exchange Commission. Reuter reports from Washington.

## Buehrle U.S. deal

WORKING through its Pittsburgh subsidiary Contraves Goetz Corporation, which has been part of the Contraves division of the Swiss industrial group Oerlikon-Buehrle since 1974 the Zurich-based Oerlikon-Buehrle Holding AG has acquired the Pittsburgh company Control Systems Research Inc. This company, which employs 170, makes transistor and thyristor powered drives for industrial automation installation.

## SOUTH AFRICAN COMPANIES

## Abercom accounts qualified

BY MICHAEL LAFFERTY IN LONDON AND RICHARD ROLFE IN JOHANNESBURG

THE 1976 ACCOUNTS of Abercom, the South African holding company, have been qualified by auditors, Deloitte and Co., over the company's failure to comply with "generally accepted accounting practice" by not making provision for deferred taxation.

In an interesting note, the directors of Abercom say they are "of the opinion that the group will continue to reinvest monies in plant and machinery, and since it seems likely that governments will continue to grant special tax allowances to encourage this type of investment, have concluded that the group has no real liability for tax arising from timing differences."

However, the directors have deemed it necessary to set aside a tax equalisation fund to equalise the tax rate in those cases where the investment of monies in plant and machinery is considered to be more, or less, than normal.

The Abercom report reiterates the dividend forecast of 33 cents for the year to June 30, 1977. Mr. John Feek, deputy chairman and managing director, adds that continuing pressure on margins in the coming year will provide an "interesting challenge" to executives, to which it has been said that shareholders will be positively curious as to how the

## Hiccups at Hippo

By Our Own Correspondent

JOHANNESBURG, August 30. HIPPO HOLDINGS, whose interests are mostly in quarrying and stone crushing, has become one of the few South African companies reporting recently to show a sharp downturn in profitability, continuing the trend seen in the previous financial year after a long period of rising profits. Despite turnover up from R4.1m. to R5.1m., at the year level, profits fell down from R4.8m. to R3.8m. and with a higher tax ratio, the swing at the net level is even worse. However, elimination of the minority interest, 0.01m. last year, as a result of the acquisition of the former quarry subsidiary SA Quarry, means that earnings have only slipped 1.4c to 28.7c for

the full year and the dividend has been held at 13c where the shares yield 11.3 per cent.

PREMIER PAPER, with interests across the paper making industry, but particularly in wrapping papers and envelopes, has also reported a sharp fall in profits for its six months ended June 30, with the bulk of the fall coming in the second half year.

Earnings fell from 96c a share to 46c, but in line with the directors' promise in the interim report, the dividend has been maintained at 25c.

ANGLO-ALPHA CEMENT, controlled by the Holderbank Swiss group, improved sales and operating margins in its year to June 30, despite depressed building industry conditions, sales rising from R11.5m. to R12.4m. and operating income from R25.6m. to R31.6m. Profit margins firmed nearly 11 points to 23.6 per cent. helped by a rise in the controlled price of cement in February which added 15 cents to make the price of the standard 50 kg. pack 103 cents to the manufacturer. But the Board bases depreciation charges on current replacement cost of assets and depreciation was R3.5m. to R4.5m., while higher tax and interest payments left earnings up rather more modestly, from R3.5m. to R6.3m.

## AUSTRALIAN COMPANIES

## Boral's earnings boost

BY JAMES FORTH

BORAL, a major supplier to the building and construction industry, boosted earnings by 32 per cent. from SA9m. to SA11.9m. in the year to June 30—thanks mainly to the recently acquired Cyclone Company. Another major

factor was a sharp reduction in minority interests following the complete acquisitions during the year of the listed subsidiaries, Boral Basic Industries and Glen Iris Boral. Cyclone's earnings had been included for the remaining two months it would have added another SA784,000 to pre-tax earnings.

The result was after tax earnings of SA7.9m. (previous year SA5.1m.) interest SA4.7m. (previous year SA2.4m.) and minority interests of SA558,000 (SA1.5m.). Of the minority interest, SA433,000 was attributable to Boral Basic and Glen Iris before they were totally acquired. Group sales soared 83 per cent. from SA22m. to SA425m., including SA65.5m. from Cyclone. Boral's result was also boosted by a general improvement in home building activity in all states except New South Wales. This is borne out by much better trading conditions in the second half. Earnings rose 10 per cent. in the first half and 25 per cent. in the second six months. The directors said that all operations traded satisfactorily except the concrete products division, and that its results were now improving.

Boral has unused manufacturing capacity in certain areas, but the directors believe that the recent upturn in the economy will be maintained, allowing the slack to be utilised and provide more employment and improved returns on investment. The dividend is held steady at 12.5 cents a share but, reflecting the acquisitions, the payout jumps from SA5.58m. to SA8.58m. The result is equal to earnings of 18.5 cents a share compared with 19.2 cents in the previous year. If pre-acquisition profits were included the earnings per share would increase to 20.2 cents.

Slump at IAC IAC (HOLDINGS), Australia's second largest finance company, went under the tree in the June half-year when earnings halved from SA5.3m. to SA2.8m. The interim dividend is held at 3.75 cents, but it requires SA3m., and will have to be met partly from reserves. Most financial companies which have reported to date for 1975-76 have reported reasonable gains. IAC's setback came entirely from its disastrous entry into property. All other subsidiaries performed well. Real estate revenue fell by SA6.9m. in the half-year. The reason was a jump from SA4.8m. to SA8.1m. in loans on which interest was not accrued, together with a lower level of outstanding and a lower average rate earned on 75 years. If Cyclone's earnings had been included for the remaining two months it would have added another SA784,000 to pre-tax earnings.

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## APPOINTMENTS

## Dr. T. K. Whitaker on Guinness Boards

Dr. T. K. Whitaker has joined the Boards of ARTHUR GUINNESS SON AND CO. and its Dublin subsidiary, Arthur Guinness Son and Co. (Dublin). Dr. Whitaker, who is Chancellor of the National University of Ireland, is a former Secretary of the Department of Finance. He completed his seven-year term as Governor of the Central Bank of Ireland on February 29 last.

Sir George Bolton will retire from the Board of LLOYD'S BANK INTERNATIONAL on September 30. Sir George was chairman of the Bank of London and South America (now part of Lloyds Bank International Group) from 1957 until June 1970.

Mr. A. M. Struthers, managing director, transport division, has been appointed deputy managing director of OLIVER RIX.

Mr. J. C. Little has been appointed a director of CRIST NICHOLSON, which he joined in 1973 as group financial controller.

The Board of GOODWIN BARSBY, the Leicester manufacturer of plant and equipment for stone crushing and asphalt production, is: Mr. G. M. Warren, chairman; Mr. D. E. Wilde, managing director; Mr. D. H. Aham, sales director; Mr. G. A. Bensch, works director; Mr. F. J. Hobson, technical director; Mr. F. J. Jena-

## MINERALS AND RESOURCES CORPORATION LIMITED

(Incorporated in Bermuda)

## DECLARATION OF DIVIDEND NO. 79 ON THE ORDINARY SHARES

Notice is hereby given that dividend No. 79 of 2 cents (United States currency) per ordinary share, being the final dividend for the year ended 30th June 1976, has been declared payable to ordinary shareholders registered in the books of the corporation at the close of business on 10th September 1976, and to persons presenting coupon No. 32 detached from share warrants to bearer. A notice regarding payment of dividends on coupon No. 32 detached from share warrants to bearer, will be published in the press by the London Secretaries of the corporation on or about 3rd September 1976. The ordinary share register in Bermuda and the local ordinary share registers in the United Kingdom and the Republic of South Africa will be closed from 11th September to 24th September 1976, both days inclusive.

While members are entitled to receive payment of their dividend in Bermudian currency, existing Bermudian foreign exchange control regulations do not permit the corporation to hold in Bermudian currency cash funds arising from revenue sources. For this reason the board of directors has decided to pay this dividend in United States currency except that arrangements have been made for payments to be made in United Kingdom and South African currencies as follows:

(a) Members with registered addresses in the United Kingdom, the Republic of Ireland, who have not mandated payment to addresses outside those countries, and members who have mandated payment to addresses in those countries will be paid in United Kingdom currency and will receive the equivalent of the United States currency value of their dividends converted at the rate of exchange ruling on 5th October 1976.

(b) Members with registered addresses in the Republic of South Africa, South West Africa, Botswana, Lesotho or Swaziland, who have not mandated payment to addresses outside those countries, and members who have mandated payment to addresses in those countries will be paid in South African currency and will receive the equivalent of the United States currency value of their dividends converted at the rate of exchange ruling on 5th October 1976.

Members with registered addresses in the United Kingdom, Republic of Ireland, Republic of South Africa, South West Africa, Botswana, Lesotho or Swaziland, may however elect to be paid in United States dollars. Any request for such payment to be received at the offices of the local registrars in the United Kingdom or Johannesburg, whichever is appropriate, by 10th September 1976. Members who so elect must comply, as necessary, with the United Kingdom or South African exchange control regulations.

Dividend warrants will be posted from the registered office of the corporation in Bermuda and from the Johannesburg and United Kingdom offices of the local registrars on or about 14th October 1976.

Any change of address or dividend instruction involving a change in the office of payment to apply to this dividend must be received by the corporation in Bermuda or by the corporation's local registrars in Johannesburg or in the United Kingdom on or before 10th September 1976 and members must also, where necessary, obtain the prior approval of the relevant exchange control authorities having jurisdiction in respect of such changes.

Payments due to shareholders resident in Rhodesia are governed by exchange control regulations in Rhodesia and in the United Kingdom and will be blocked. Members with registered addresses in Rhodesia may, however, mandate payment of this dividend to authorised banks in Rhodesia or authorised depositaries in the United Kingdom, for credit to blocked accounts.

In respect of dividends payable in United Kingdom currency from the United Kingdom local registrars' office to or to the order of members whose registered addresses are in the United Kingdom or to other members who have mandated payment to addresses in the United Kingdom, there will be deducted United Kingdom income tax at the basic rate except where authority has been received from the Inspector of Foreign Dividends to pay without such deduction. In all other cases no United Kingdom income tax will be deducted.

By order of the Board  
D. F. Ellis,  
Secretary  
Registered Office:  
Belvedere Building,  
Pitts Bay Road,  
Pembroke,  
Bermuda.  
(P.O. Box 650 Hamilton, 5)  
S.A. Registrars:  
Consolidated Share Registrars Limited,  
62, Marshall Street,  
Johannesburg 2001,  
(P.O. Box 61051 Marshalltown 2107),  
South Africa.  
27th August, 1976.

U.K. Registrars:  
Charter Consolidated Limited,  
P.O. Box 102,  
Charter House, Park Street,  
Ashford, Kent, TN24 8EQ,  
England.

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## Kakuzi LIMITED

Coffee, Tea and Sisal plantations and ranching in Kenya.

Extracts from the audited results for the year ended

	Year to 28.2.76	Year to 28.2.75
Profit before tax	878,597	855,068
Profit after tax	510,620	541,875
Profit attributable to Kakuzi Limited	457,954	851,942
Dividends (Gross)	224,000	160,000
Earnings per K.Sh.	K.Shs.	K.Shs.
5/- Stock Unit	2.29	1.63
N.B. K.Sh. 1 = K.Shs. 20. (1K.Sh. = 6.71p as at 27.8.76)		

Production 1975/76:  
Arabica Coffee.....1,790 tonnes  
Machine dried sisal.....1,985 tonnes  
CTC Tea.....975 tonnes  
Cattle.....7,750 head

Proposed Scrip Issue:  
1 new share for every 5 shares held

Extract from the Statement by the Chairman, Mr. P. C. Benson M.B.E.:  
"We still have a duty to develop all the investments in land which are under our control. With the cash which we hope to conserve in 1976-78, we intend to rebalance our sisal operation, expand our coffee plantations, irrigate our tea gardens and further improve the quality of our cattle. By carrying out these essential developments in good market years, we shall be in a much stronger position to meet any deterioration of markets in years to come. Subject to the requirements of the preceding paragraph, your Board is anxious that shareholders should obtain the maximum benefit from their investment. We consider that as a result of issuing bonus shares from time to time, the issued capital of your Company will eventually reflect a more accurate picture of the value of its assets, which at the present time are considerably undervalued."

The Company's shares are listed in the Financial Times under "Finance, Land etc."  
Copies of the Company's Annual Report & Accounts are available from the Secretaries, Estates Services Ltd., PO Box 30379, Nairobi, Kenya, or from Smith, Coney & Barrett (Liverpool) Ltd., 205 High Street, Bromley, Kent BR1 1PW.



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# FT SHARE INFORMATION SERVICE

## CANADIANS

Share	Price	Div	Yield
Alcan	15.10	0.10	0.66
Bell Canada	10.10	0.10	0.99
Imperial Oil	10.10	0.10	0.99
Manitowac	10.10	0.10	0.99
Noranda	10.10	0.10	0.99
Papier	10.10	0.10	0.99
Seaboard	10.10	0.10	0.99
Shawmut	10.10	0.10	0.99
St. Lawrence	10.10	0.10	0.99
Union Pacific	10.10	0.10	0.99
Western Union	10.10	0.10	0.99

## BUILDING INDUSTRY—Continued

Share	Price	Div	Yield
Amalgamated	10.10	0.10	0.99
Associated	10.10	0.10	0.99
Building	10.10	0.10	0.99
Construction	10.10	0.10	0.99
Engineering	10.10	0.10	0.99
Industrial	10.10	0.10	0.99
Manufacturing	10.10	0.10	0.99
Services	10.10	0.10	0.99
Transport	10.10	0.10	0.99
Utilities	10.10	0.10	0.99

## DRAPERY AND STORES—Continued

Share	Price	Div	Yield
Debenhams	10.10	0.10	0.99
Debenhams	10.10	0.10	0.99
Debenhams	10.10	0.10	0.99
Debenhams	10.10	0.10	0.99
Debenhams	10.10	0.10	0.99
Debenhams	10.10	0.10	0.99
Debenhams	10.10	0.10	0.99
Debenhams	10.10	0.10	0.99
Debenhams	10.10	0.10	0.99
Debenhams	10.10	0.10	0.99

## ENGINEERING—Continued

Share	Price	Div	Yield
Amalgamated	10.10	0.10	0.99
Associated	10.10	0.10	0.99
Building	10.10	0.10	0.99
Construction	10.10	0.10	0.99
Engineering	10.10	0.10	0.99
Industrial	10.10	0.10	0.99
Manufacturing	10.10	0.10	0.99
Services	10.10	0.10	0.99
Transport	10.10	0.10	0.99
Utilities	10.10	0.10	0.99

## INDUSTRIALS

(Miscellaneous)

Share	Price	Div	Yield
Amalgamated	10.10	0.10	0.99
Associated	10.10	0.10	0.99
Building	10.10	0.10	0.99
Construction	10.10	0.10	0.99
Engineering	10.10	0.10	0.99
Industrial	10.10	0.10	0.99
Manufacturing	10.10	0.10	0.99
Services	10.10	0.10	0.99
Transport	10.10	0.10	0.99
Utilities	10.10	0.10	0.99

## BRITISH FUNDS

(Starts (Live up to Five Years)

Share	Price	Div	Yield
Amalgamated	10.10	0.10	0.99
Associated	10.10	0.10	0.99
Building	10.10	0.10	0.99
Construction	10.10	0.10	0.99
Engineering	10.10	0.10	0.99
Industrial	10.10	0.10	0.99
Manufacturing	10.10	0.10	0.99
Services	10.10	0.10	0.99
Transport	10.10	0.10	0.99
Utilities	10.10	0.10	0.99

## Over Fifteen Years

Share	Price	Div	Yield
Amalgamated	10.10	0.10	0.99
Associated	10.10	0.10	0.99
Building	10.10	0.10	0.99
Construction	10.10	0.10	0.99
Engineering	10.10	0.10	0.99
Industrial	10.10	0.10	0.99
Manufacturing	10.10	0.10	0.99
Services	10.10	0.10	0.99
Transport	10.10	0.10	0.99
Utilities	10.10	0.10	0.99

## Under Five Years

Share	Price	Div	Yield
Amalgamated	10.10	0.10	0.99
Associated	10.10	0.10	0.99
Building	10.10	0.10	0.99
Construction	10.10	0.10	0.99
Engineering	10.10	0.10	0.99
Industrial	10.10	0.10	0.99
Manufacturing	10.10	0.10	0.99
Services	10.10	0.10	0.99
Transport	10.10	0.10	0.99
Utilities	10.10	0.10	0.99

## INTERNATIONAL BANK

Share	Price	Div	Yield
Amalgamated	10.10	0.10	0.99
Associated	10.10	0.10	0.99
Building	10.10	0.10	0.99
Construction	10.10	0.10	0.99
Engineering	10.10	0.10	0.99
Industrial	10.10	0.10	0.99
Manufacturing	10.10	0.10	0.99
Services	10.10	0.10	0.99
Transport	10.10	0.10	0.99
Utilities	10.10	0.10	0.99

## CORPORATION LOANS

Share	Price	Div	Yield
Amalgamated	10.10	0.10	0.99
Associated	10.10	0.10	0.99
Building	10.10	0.10	0.99
Construction	10.10	0.10	0.99
Engineering	10.10	0.10	0.99
Industrial	10.10	0.10	0.99
Manufacturing	10.10	0.10	0.99
Services	10.10	0.10	0.99
Transport	10.10	0.10	0.99
Utilities	10.10	0.10	0.99

## COBLENZ AND AFRICAN BANK

Share	Price	Div	Yield
Amalgamated	10.10	0.10	0.99
Associated	10.10	0.10	0.99
Building	10.10	0.10	0.99
Construction	10.10	0.10	0.99
Engineering	10.10	0.10	0.99
Industrial	10.10	0.10	0.99
Manufacturing	10.10	0.10	0.99
Services	10.10	0.10	0.99
Transport	10.10	0.10	0.99
Utilities	10.10	0.10	0.99

## LOANS (Miscellaneous)

Share	Price	Div	Yield
Amalgamated	10.10	0.10	0.99
Associated	10.10	0.10	0.99
Building	10.10	0.10	0.99
Construction	10.10	0.10	0.99
Engineering	10.10	0.10	0.99
Industrial	10.10	0.10	0.99
Manufacturing	10.10	0.10	0.99
Services	10.10	0.10	0.99
Transport	10.10	0.10	0.99
Utilities	10.10	0.10	0.99

## FOREIGN BONDS & BILLS

Share	Price	Div	Yield
Amalgamated	10.10	0.10	0.99
Associated	10.10	0.10	0.99
Building	10.10	0.10	0.99
Construction	10.10	0.10	0.99
Engineering	10.10	0.10	0.99
Industrial	10.10	0.10	0.99
Manufacturing	10.10	0.10	0.99
Services	10.10	0.10	0.99
Transport	10.10	0.10	0.99
Utilities	10.10	0.10	0.99

## U.S. & DM prices exclude inv. 5 premium

Share	Price	Div	Yield
Amalgamated	10.10	0.10	0.99
Associated	10.10	0.10	0.99
Building	10.10	0.10	0.99
Construction	10.10	0.10	0.99
Engineering	10.10	0.10	0.99
Industrial	10.10	0.10	0.99
Manufacturing	10.10	0.10	0.99
Services	10.10	0.10	0.99
Transport	10.10	0.10	0.99
Utilities	10.10	0.10	0.99

## AMERICANS

Share	Price	Div	Yield
Amalgamated	10.10	0.10	0.99
Associated	10.10	0.10	0.99
Building	10.10	0.10	0.99
Construction	10.10	0.10	0.99
Engineering	10.10	0.10	0.99
Industrial	10.10	0.10	0.99
Manufacturing	10.10	0.10	0.99
Services	10.10	0.10	0.99
Transport	10.10	0.10	0.99
Utilities	10.10	0.10	0.99

## BUILDING INDUSTRY, TIMBER AND ROADS

Share	Price	Div	Yield
Amalgamated	10.10	0.10	0.99
Associated	10.10	0.10	0.99
Building	10.10	0.10	0.99
Construction	10.10	0.10	0.99
Engineering	10.10	0.10	0.99
Industrial	10.10	0.10	0.99
Manufacturing	10.10	0.10	0.99
Services	10.10	0.10	0.99
Transport	10.10	0.10	0.99
Utilities	10.10	0.10	0.99

## DRAPERY AND STORES

Share	Price	Div	Yield
Amalgamated	10.10	0.10	0.99
Associated	10.10	0.10	0.99
Building	10.10	0.10	0.99
Construction	10.10	0.10	0.99
Engineering	10.10	0.10	0.99
Industrial	10.10	0.10	0.99
Manufacturing	10.10	0.10	0.99
Services	10.10	0.10	0.99
Transport	10.10	0.10	0.99
Utilities	10.10	0.10	0.99

## ENGINEERING, MACHINE TOOLS

Share	Price	Div	Yield
Amalgamated	10.10	0.10	0.99
Associated	10.10	0.10	0.99
Building	10.10	0.10	0.99
Construction	10.10	0.10	0.99
Engineering	10.10	0.10	0.99
Industrial	10.10	0.10	0.99
Manufacturing	10.10	0.10	0.99
Services	10.10	0.10	0.99
Transport	10.10	0.10	0.99
Utilities	10.10	0.10	0.99

## FOOD, GROCERIES, ETC.

Share	Price	Div	Yield
Amalgamated	10.10	0.10	0.99
Associated	10.10	0.10	0.99
Building	10.10	0.10	0.99
Construction	10.10	0.10	0.99
Engineering	10.10	0.10	0.99
Industrial	10.10	0.10	0.99
Manufacturing	10.10	0.10	0.99
Services	10.10	0.10	0.99
Transport	10.10	0.10	0.99
Utilities	10.10	0.10	0.99

## HOTELS AND CATERERS

Share	Price	Div	Yield
Amalgamated	10.10	0.10	0.99
Associated	10.10	0.10	0.99
Building	10.10	0.10	0.99
Construction	10.10	0.10	0.99
Engineering	10.10	0.10	0.99
Industrial	10.10	0.10	0.99
Manufacturing	10.10	0.10	0.99
Services	10.10	0.10	0.99
Transport	10.10	0.10	0.99
Utilities	10.10	0.10	0.99







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# FINANCIAL TIMES

Tuesday August 31 1976

**Weatherall Green & Smith**

Chartered Surveyors, Estate Agents

London Leeds Paris Nice Frankfurt

## Dutch Cabinet averts constitutional crisis

BY MICHAEL VAN OS

THE HAGUE, August 30.

A CONSTITUTIONAL crisis over the involvement of Prince Bernhard in the Lockheed bribery scandal appears to have been averted by the Dutch Government following the publication of the Donner report last week.

All the main political parties in Holland today came out in support of the Cabinet's decision not to institute criminal proceedings against the Prince for his part in the affair, which the report had described as "completely unacceptable".

Queen Juliana had hinted that she would abdicate if the Prince were prosecuted. Despite the fact that the report was signed by the Government, it was alleged that the Prince had solicited payment for helping with the sale of Lockheed's Orion aircraft in Holland and the small Pacific Socialist Party, which has just two members in Parliament, calling for criminal proceedings.

The republican PSP, which has long called for the abolition of the highly popular Dutch monarchy, will certainly fail to gain any significant support for its motion.

The Prince has meanwhile re-

acted as Inspector-General of the Dutch Armed Forces and MPs to help promote the purchase of Orion aircraft.

Clarification has also been sought on the remark made by the commission that the staffs in the various forces should "show the same restraints" in their relations with industry as the equipment department of the Defence Ministry had done.

Cabinet Ministers were also likely to face questions about Government responsibility over the activities of members of the royal family. Calls for increased control have been made by several parties.

To-day's efforts by Parliamentarians to support the Government's handling of the affair were supported by an opinion poll taken here after the Donner report, which showed that 90 per cent of the Dutch people were still in favour of the monarchy.

As many as 71 per cent said their feelings towards Prince Bernhard had remained unchanged by the Lockheed affair, but 61 per cent thought that it had been correct that he no longer held official public positions.

Editorial comment Page 10

## Atkinson likely to be Labour's next treasurer

BY PETER HENNESSY, LOBBY CORRESPONDENT

THE PRIME MINISTER'S efforts to defuse policy differences between Labour's National Executive and the Government look like receiving a setback during the party conference in Blackpool at the end of next month.

Thanks to the work of the Tribune Group and a round-robin letter to constituency parties signed by Mr. Michael Foot, Lord President and Mr. Anthony Wedgwood Benn, Energy Secretary, among others, the party treasurer's post is likely to be vacated by Mr. Callaghan's look set to pass into the hands of a leading left-wing backbencher, Mr. Norman Atkinson, rather than to his rival, Industry Secretary, Mr. Eric Varley.

The conference agenda, published on Sunday, showed that Mr. Atkinson's name had the support of several key unions, including the National Union of Public Employees, the Transport and General Workers' Union, and the National Union of Journalists. His position is further reinforced by the support of 250 constituencies including the Prime Minister's own in Cardiff, South-East.

Mr. Varley's nomination comes from his own members' union, UCAIT, the building trades union, two Post Office unions, and 11 constituency parties. Mr. Callaghan would undoubtedly welcome the support of the middle-of-the-road Cabinet colleague like Mr. Varley in his often taxing sessions with the Left-wing dominated NEC. Since becoming Prime Minister, Mr. Callaghan has been a constant attendee, a good listener and an outspoken opponent of the Committee's more extreme

### Short of money

On six occasions in the past, Mr. Atkinson challenged Mr. Callaghan's tenure of the treasurer's post, a powerful party base. Last April, it looked as if Mr. Callaghan might offer Mr. Atkinson a Government job, but nothing emerged after an inconclusive interview at No. 10.

His accession to the NEC is unlikely to be balanced by the arrival of moderates. Mr. Denis Healey, Chancellor of the Exchequer, who lost his place last year to Mr. Eric Heffer, is not standing this time.

Mr. Healey's Cabinet colleagues, Mr. Anthony Crosland, Foreign Secretary, and Mr. Peter Shore, Environment Secretary, have allowed their names to go forward, but have scant chance of success. But Mrs. Shirley Williams, the Prices Secretary, looks secure in her regular spot as member of the women's section.

Mr. Atkinson, MP for Tottenham, is an outspoken and assiduous critic of the Government's economic policy who commands respect beyond the ranks of the Tribune Group. In a BBC radio

interview yesterday, he said he was "pretty confident" of winning the treasurer's post, a post of special significance as it was the only party office elected by the membership as a whole.

If successful, he would press for the Prime Minister and Leader of the Labour Party to be chosen by the party conference rather than by Labour MPs as at present. Only half a million activists, stimulated by a more direct say in policy, could save the party in its present precarious financial condition, he said.

The conference agenda contains several resolutions echoing Mr. Atkinson's call for a new electoral procedure to find the Labour leader.

There are also motions critical of public spending cuts, urging the Government to cut unemployment, to bring the four main clearing banks and seven leading insurance companies into public ownership and to make compulsory planning agreements a feature of the NEB. Resolutions call for a radical change in the country's trading policy through the imposition of selective import controls.

Mr. Callaghan will be the debate on the Government's policy of clearing banks and seven leading insurance companies into public ownership and to make compulsory planning agreements a feature of the NEB. Resolutions call for a radical change in the country's trading policy through the imposition of selective import controls.

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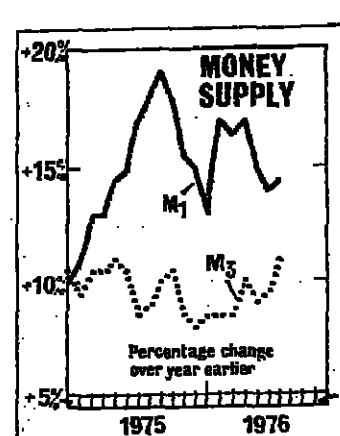
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### THE LEX COLUMN

## Economic posers for equities

The equity market is one of the best leading indicators of economic activity that we have, and when it turns down to any significant degree, for any considerable length of time, it deserves to be taken seriously. Since the peak in early May the FT 30-Share Index has fallen back just over 16 per cent, a fairly decisive movement by most standards (an old-style bear market, after all, used to average not much more than 30 per cent). The latest decline could, perhaps, be compared to the 15 per cent setback between May and late September 1972. That certainly confirmed the end of the 1971-72 bull market, although a subsequent rally took the index comfortably back above 500. The market's natural tendency to fluctuate should not be forgotten. It was another year before the 1973-74 bear market began in earnest.



A bumper week-end bag of economic forecasts provides an opportunity to consider why the market has become so unsettled. The London Business School forecast in the Sunday Times, for instance, emphasises the weak nature of the current economic recovery and the continuing unemployment, and suggests that the corporate sector will swing rapidly into deficit from the second quarter of 1977. Wood Mackenzie, among the more bullish brokers on the subject of corporate cash flows, are revising their estimate of the 1976 surplus down from £1.5bn. to £1bn.

### Monetary moves

Philips and Drew are becoming increasingly concerned about the probability of an acceleration in inflation in 1978—which fits in with the LBS projection of inflation increasing to 16 per cent in 1978. Finally, the economists of the National Westminster Bank describe the official view that the rate of growth of the money supply will slow down further in 1977-78 as being "somewhat unrealistic" and conclude that with the IMF looming up further monetary measures are likely this autumn.

Historically the equity market has proved very sensitive to corporate flows of funds so the strength of the sector's financial balance is a key point. The latest available figures show that after a small deficit in 1975 industrial and commercial companies moved into a small surplus.

### Gifts and equities

The conclusion from a familiar enough Government is that some major decisions on monetary front in the next months, while in the term the problems of unemployment and inflation remain unsolved. Some traditional monetary measures—such as special depositing facilities and contra bank deposits—are being practicable to load the burden of control of the supply onto the alt-edge, whatever gimmicks they could be dreamed of theory, given a limit to growth of M3, the authorities would have to match bank lending with extra gilts. If the pressure is to swap bank lending curbs, it is a question of why gilt explanation of why gilt equities in recent weeks.

## Rolls-Royce plans new style RB-211

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

ROLLS-ROYCE (1971) is proposing a new, less powerful version of the successful RB-211 engine for possible use in the next generation of short-to-medium range airliners that Boeing of the U.S. is planning to build.

The new variant, with about 22,000 lbs. of thrust, against 24,000-25,000 lbs. of thrust of the existing versions of the engine, would be suitable for use in any twin-engine aircraft that Boeing might decide to build for the 1980s.

At present the airlines do not know whether they want a twin-engine aircraft or a three-engine aircraft. Although many favour three engines, it would involve them in the expense of introducing both a new engine and a new airframe together, and this they are reluctant to do.

### Joint venture

If the airlines and Boeing between them decided on a three-engine aircraft, they would need an entirely new power plant of about 28,000 lbs. thrust, such as the U.S. Pratt and Whitney JT-10D.

Rolls-Royce has already done

## Leyland to make diesel Princess

By Terry Dodsworth  
Motor Industry Correspondent

A SIGNIFICANT expansion of diesel car sales in the U.K. during the last year has persuaded British Leyland to press ahead with a confidential plan to introduce a diesel-engined version of the Princess. The company expects to launch the car within a year or so.

Leyland's plans for the Princess have been developed in spite of considerable doubts in the British car industry about the economic advantages of diesel over petrol engines. Although a diesel car will give up to 30 per cent. better use of fuel, it costs more to make and to buy. For the average motorist there is no clear advantage in switching from petrol-engined vehicles.

The rapid expansion of diesel production in continental Europe during the last two years, however, has indicated that there are growth prospects in this sector of the market. Mercedes, Peugeot, Citroen and Opel—Europe's main producers of diesels—have all increased output substantially, and diesel car manufacturing world-wide has gone up from about 210,000 to 235,000 vehicles a year since the oil crisis in 1973. Volkswagen also has plans to produce a small, 70-hp, diesel for its Golf and Passat models due in the autumn.

### Taxi market

Much of the extra demand has come from private customers as opposed to the traditional taxi market for diesels.

Part of Leyland's plan is for the Princess to be accepted as a general-purpose vehicle. At present the company makes a small, 1.3-litre diesel version of the Marina which is sold in some export markets. A 1.8-litre version of the diesel unit used in the light Sherpa van, which has been extensively tested and modified for car application, will be adopted for the Princess.

In spite of Leyland's plans for the Princess, the British car industry does not seem to have undergone a conversion to the diesel concept. A new paper prepared by the Society of Motor Manufacturers and Traders, and due to be published next month, is believed to be lukewarm to the idea of Government encouragement of diesel use.

Future for diesel cars, Page 10

Engineers ignore call, Page 8

Burton workers in closed shop

By Our Labour Staff

EMPLOYEES OF THE Burton-Jackson tailoring group will be required to join the Union of Shop, Distributive and Allied Workers within 15 months under a closed-shop agreement due to be signed to-day.

The membership clause is included in a new national recognition and procedural agreement between the company and union. New employees will have to join the union at once, and non-members among the company's 5,000 current staff will be required to join by March, 1978.

## Fishermen and oil rigs lack protection

THE ROYAL NAVY is inadequately equipped to protect Britain's oil rigs and future fishing limits, according to the latest edition of Jane's Fighting Ships, published to-day. The Type 14 frigates and considerable numbers of coastal minesweepers are being paid off, with nothing to replace them. The surface ship-building programme, with one or two minor unsatisfactory exceptions, is devoted to large, complex and expensive destroyers and frigates," says the editor, Capt. John Moore, in a foreword.

"Very little money has been made available to provide the ships needed to protect one of Britain's most valuable assets against terrorism, damage or destruction."

The EEC countries have already announced their intention to extend their territorial limits to 200 miles, pending any decision from the Law of the Sea Conference due to end in New York on September 17. Negotiations are under way in Brussels about an exclusive fishing zone for British fishermen, and Britain is seeking a coastal fishing zone varying from 12 to 50 miles.

Jane's Fighting Ships, published by Jane's Yearbooks at £25.

## Alcohol main cause in 9% of accidents

ALCOHOL is the main cause in 9 per cent. of road accidents, according to a four-year study by the Government's Transport and Road Research Laboratory.

It says in its annual report a quarter of all accidents and two-thirds of accidents between 10 p.m. and 4 a.m. involve drinking drivers.

### Weather

**U.K. TO-DAY**

CLOUD and rain in the S. will move N. later.

LONDON, S.E. E. Anglia, Channel Cloudy, thundery rain in places. Brighter by afternoon. Max. 18C (64F).

Cent. S. Midlands, Cent. N. England Fog patches at first, sunny periods developing. Max. 20C (68F).

E. N.E. England, Borders Fog patches near coasts, sunny periods inland, but cloudy later. Max. 18C (64F).

S.W. England, S. N. Wales, Mainly dry. Occasional drizzle later. Max. 18C (64F).

N.W. England, Lakes, I. of Man, S.W. N.E. Scotland, Argyll, Orkney, Shetland, N. Ireland Sunny intervals, becoming cloudy. Rain in places later. Max. 15C (59F).

Mainly dry, sunny periods, cloudy later. Max. 19C (66F).

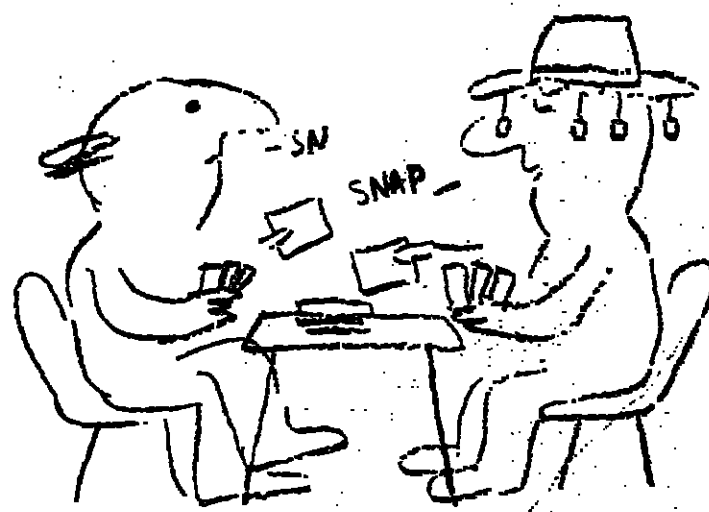
Outlook: Chanceable. Lightning-up. London 20-19. Manchester 20-22. Glasgow 20-15. Belfast 20-19.

### BUSINESS CENTRES

	Mid-day	Mid-day
Alexandria	22	22
Amman	22	22
Athens	22	22
Bahia	22	22
Bombay	22	22
Buenos Aires	22	22
Calcutta	22	22
Canton	22	22
Colon	22	22
Hankow	22	22
Harbin	22	22
Hong Kong	22	22
Kobe	22	22
London	22	22
Lyons	22	22
Manila	22	22
Medan	22	22
Osaka	22	22
Paris	22	22
Rangoon	22	22
San Francisco	22	22
Singapore	22	22
Sourabaya	22	22
Tokyo	22	22
Yokohama	22	22

### HOLIDAY RESORTS

	Mid-day	Mid-day
Amman	22	22
Athens	22	22
Bahia	22	22
Bombay	22	22
Buenos Aires	22	22
Calcutta	22	22
Canton	22	22
Colon	22	22
Hankow	22	22
Harbin	22	22
Hong Kong	22	22
Kobe	22	22
London	22	22
Lyons	22	22
Manila	22	22
Medan	22	22
Osaka	22	22
Paris	22	22
Rangoon	22	22
San Francisco	22	22
Singapore	22	22
Sourabaya	22	22
Tokyo	22	22
Yokohama	22	22



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